

FINANCIAL TIMES

Start the week with...



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In need of care and attention

New Zealand
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Today's survey
Revitalising South London

World Business Newspaper

MONDAY JANUARY 8 1996

Biggest snowstorm for decades hits US air traffic

The largest snowstorm in decades has hit the eastern US. The National Weather Service predicted up to 30 inches (76cm) of snow for the area around Washington DC, which bore the brunt of the storm, and said zero visibility had virtually closed traffic by air along the east coast corridor. Blizzard warnings were issued from western Virginia to New York, including parts of Delaware, Pennsylvania and Maryland.

Intel admits chip speed error: The world's largest chip manufacturer Intel said it was "truly sorry" for false results that overstated the performance of some of its newest Pentium chips by about 10 per cent. Page 21

London exchange faces more conflict: The London Stock Exchange faces further conflict over trading reforms as investment banks prepare to block a choice of methods for trading shares. The row follows last week's dismissal of the exchange's chief executive Michael Lawrence. Page 20

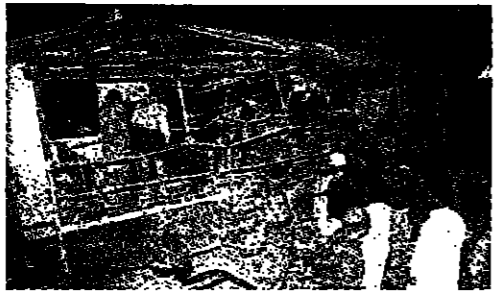
Arafat accuses Israel: PLO chairman Yasser Arafat accused Israel of Friday's killing of the Hamas militant Yuhya Ayyash, calling it a violation of the Israeli-PLO peace agreement.

Three share UK lottery jackpot: Nine out of 10 UK adults took part in the country's National Lottery on Saturday, in search of a share of the record £42m (\$64.7m) jackpot. Three tickets will share the biggest prize. Page 5

US product liability awards cut: US juries have been awarding considerably smaller amounts to people who claim to have been harmed by defective products. Page 4

Goldman Sachs, the investment bank, is close to buying AMP, the US's biggest operator of bowling alleys. Page 23

Seven killed in Karachi blast



Seven people were killed and 35 injured when a bomb exploded on a bus in the southern Pakistani city of Karachi, police said. Doctors said the death toll could rise. Sindh province chief minister Abdul Shah blamed unspecified terrorists.

Japan may seek Airbus design review: Japan is expected to request a review of the design of the Airbus A300-600, following an investigation into a 1994 China Airlines crash in which 264 people died, according to the Japanese national daily, the Yomiuri Shimbun. Page 3

Indian PM confirms April poll: P.V. Narasimha Rao, India's prime minister, said he would "definitely" take the country to the polls in April, though a final date remained to be fixed. Page 3

Brazil buyer for failed bank: Brazil's Banco Excel has reached an agreement in principle to acquire Banco Economico, which last year nearly collapsed. Page 4

Granada considers next Forte bid move: UK leisure group Granada will decide today how to continue its £2.3bn (\$3.1bn) hostile takeover battle for Forte, the UK's largest hotels group. The most likely move seems to be a rise in the bid. Page 21

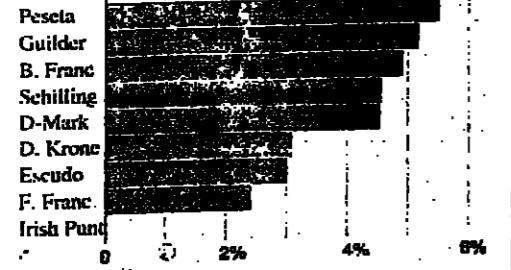
China silent on Li visit: China has given no response to the US decision to issue a transit visa to Li Yuan-zu, Taiwan's vice-president. Page 3

Sinn Féin accused on murders: Sinn Féin, political wing of the IRA, was accused by UK prime minister John Major of directing recent murders in Northern Ireland by a group claiming to be fighting the drugs trade. Page 5

Lincoln Kirstein, joint founder of New York City Ballet, has died in New York, aged 87. His crowning achievement was his role in establishing classical ballet as an American art. **Obituary, Page 17**

European Monetary System: The peseta last week managed to climb to the top of the EMS grid, helped by a firmer dollar. The Austrian schilling also moved above the D-Mark, which was generally weaker as the dollar rallied. There was little change to the spread between strongest and weakest currencies. **Currencies, Page 28**

Grid January 5, 1996



The chart shows the member currencies of the exchange rate mechanism measured against the weakest currency in the system. Most of the currencies are permitted to fluctuate within 15 per cent of agreed central rates against the other members of the mechanism. The exceptions are the D-Mark and the guildler which move in a 3.35 per cent band.

Aztek	S&P7	Genov	D400	Mela	Lu005	Cent	CR13.00
Barrac	Dnl250	Hong Kong	HK20	Monaco	MC015	ElArabe	SP12
Belgium	BR075	Hungary	H200	Neth	FL 4.25	Guatemala	GS4.30
Bulgaria	LV1000	India	IN20	Nigeria	N1200	S. Africa	R12.00
Canada	CS1.50	Italy	IT175	Norway	NK2000	S. Korea	W12.00
Czech Rep	K200	Israel	IS10	Oman	OR1.50	Spain	PS250
Denmark	DK18	Japan	JP100	Pakistan	PK10	Sweden	SK450
Egypt	EG10	Malaysia	MY100	Philippines	PH50	Switzerland	CHF70
France	FR20	Poland	PL10	Portugal	PT200	Syria	SD5.00
Germany	DM100	Russia	RUB100	Saudi Arabia	SAR10	Taiwan	TW100
Greece	GR100	South Africa	SA10	Turkey	TL1.750	USA	US1.00
Ireland	IR100	UK	LB100	Yemen	YR100		

Clinton's budget plan rejected

By Nancy Dunne in Washington

US Republicans yesterday rejected President Bill Clinton's latest budget plan, as Mr Robert Rubin, the US Treasury secretary, warned that without agreement by mid-February he might be unable to prevent a US debt default.

Mr Clinton's new plan is based on proposals by Senate Democrats which include smaller tax cuts than the Republicans are demanding. Other provisions include a cut of \$102bn from healthcare programmes for the elderly, less than half that requested by Republicans.

The White House said the president's plan "clearly shows" that the budget could be balanced in seven years using Congressional Budget Office (CBO) estimates, without deep cuts in health and education spending demanded by the Republicans.

Republicans deride fifth attempt to end shutdown as Rubin warns of debt default

The plan submitted by Mr Clinton provides for tax cuts of \$87bn over seven years, while the Republicans are demanding \$345bn in tax reductions. Senior Republicans expressed some satisfaction that Mr Clinton had submitted a balanced budget proposal, but still strongly disagreed with the details.

Mr Clinton met Republican leaders on Saturday night and is expected to hold further discussions with them today, but they are still far from agreement. On Saturday, he also signed two bills that provided for a return to the public payroll for 760,000 workers.

Mr Tom DeLay, the Republican whip in the House of Representatives, yesterday derided the president's latest plan, his fifth, although Mr Clinton had complied with congressional demands for a balanced budget in seven years using the CBO estimates.

However, the plan called for \$400bn more in spending than the proposed Republican budget, and demonstrated that Mr Clinton is "a liberal Democrat who wants to continue spending", Mr DeLay said.

to balance the US budget by 2002. Mr Rubin has only avoided a default by underinvesting in government pension funds.

Mr Rubin, who said the US was "okay" in servicing debts until mid-February, insisted yesterday that he had acted within the law to avoid a default and dismissed Republican calls for his impeachment.

He said he would continue to search for a strategy to avoid default using means approved by the Treasury's lawyers. "We have not yet found a measure that is fully compliant with all the requisite statutory authorities, but we are working full bore to get us beyond that period."

Yeltsin draws up list of candidates for Kozyrev's job

By John Thornhill in Moscow

President Boris Yeltsin has begun the search for a new foreign minister whose appointment is expected to signify a change in style rather than substance in Russia's foreign policy.

Observers of the Russian political scene have already suggested several possible replacements, from the ranks of diplomats, parliamentarians and presidential aides, for Mr Andrei Kozyrev who resigned on Friday.

Mr Victor Chernomyrdin, the prime minister, last week held meetings with the leaders of the biggest parliamentary factions in which it is believed he discussed possible cabinet changes.

However, Mr Yeltsin's spokesman has stressed that Mr Kozyrev's departure resulted from his "mistakes" and did not signify a shift in Russian foreign policy. Mr Kozyrev, Mr Yeltsin's longest-serving minister, had been criticised by the president in recent months for not defending Russian interests more vigorously.

Nonetheless, Mr Yeltsin's choice of a successor will be analysed abroad for clues about the mood in the Kremlin after the strong showing of communists and ultra-nationalists in last month's parliamentary elections.

Foreign policy observers suggested the ideal candidate must fulfil three functions: command the trust of Mr Yeltsin, win the respect of the more nationally minded parliament and maintain good relations with the

west over issues such as policy towards the former Yugoslavia. Mr Yeltsin may be tempted to appoint a relatively colourless career diplomat, such as Mr Igor Ivonov, first deputy foreign minister, or Mr Vitaly Churkin, ambassador to Brussels. Both these men have spoken for Russia in negotiations over the fate of the former Yugoslavia.

Such candidates would be unlikely to prove offensive to parliament, but could be closely controlled by the president. Mr Yeltsin recently created a foreign policy council, independent of the Ministry of Foreign Affairs, which is expected to play a bigger role in developing foreign policy.

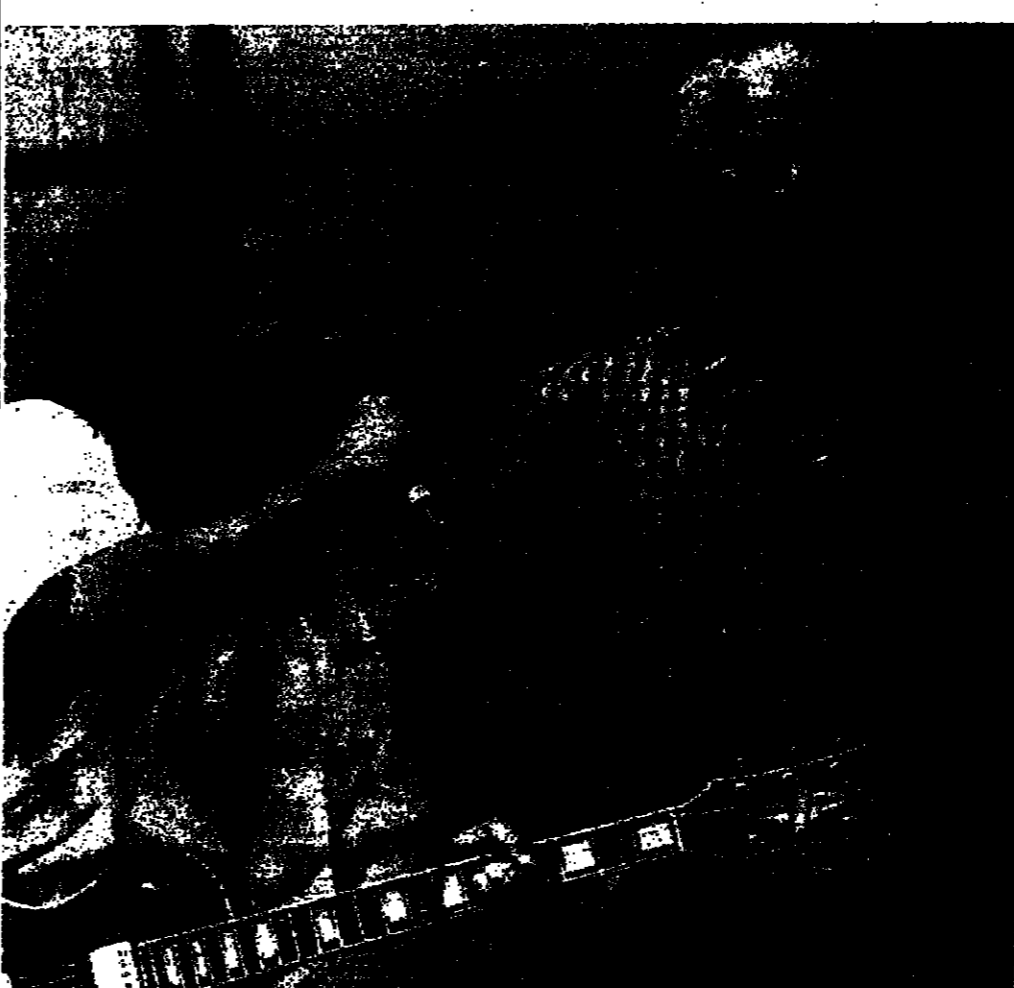
However, the president could opt for a more influential diplomat who has well-articulated views about Russia's international role. Some western diplomats have tipped Mr Anatoly Adamshin, ambassador to the UK, as a likely replacement.

Last year Mr Adamshin was recalled for talks at Mr Yeltsin's holiday home in Sochi, prompting speculation that he might play a more prominent role in Russian foreign policy.

Another candidate of similar stature and nationalist outlook is Mr Yuli Vorontsov, ambassador to the US, who has played an important role in nuclear disarmament talks.

The third option may be for Mr

Celebration for ANC's 84th birthday



South African president Nelson Mandela celebrates the 84th birthday of his ruling African National Congress with South African musician Condy Sibuba. In his annual policy statement Mr Mandela called on his rivals to co-operate in the transition to majority rule.

Germany's FDP pledges tax cuts in fight for survival

By Peter Norman in Stuttgart

Germany's small, liberal Free Democratic party has staked its political survival on securing an early cut in income taxes, despite the risk of conflict with its Christian Democrat and Christian Social Union partners in the federal government coalition.

At the party's traditional new-year meeting in Stuttgart, Mr Wolfgang Gerhardt, the FDP chairman, insisted a start be made next year on ending the hated "solidarity surcharge".

This adds 7.5 per cent to income tax bills to finance restructuring of the east German economy. Declaring that lower taxes and reduced spending were the way to create jobs, Mr Gerhardt said elimination of the surcharge would be the "decisive signal" for fostering individual initiative and reducing public sector involvement in the German economy.

His words could strain relations between the FDP, the junior coalition partner in Bonn, and Mr Theo Waigel, the finance minis-

ter and CSU leader, who yesterday again ruled out an early cut in the surcharge. Mr Waigel fears that such action could push Germany's budget deficit above the Maastricht ceiling of 3 per cent of gross domestic product.

However, the FDP has little option but to pursue distinct policies, even though they could bring confrontation. After 12 state election defeats, the party is facing an important test on March 24 when voters in Baden Württemberg, Rhineland Palatinate and Schleswig Holstein go to the polls. It needs 5 per cent of the votes in each state to be represented in their parliaments, but a national opinion poll published in the newspaper Die Woche last week gave the FDP just 3 per cent support.

Failure to secure the 5 per cent needed in one or more of the elections could renew internal strife in the party, which last month saw the resignation of left-of-centre Ms Sabine Leutheusser-Schnarrenberger from the post of justice minister in Bonn. A split

in the FDP could threaten the coalition of Chancellor Helmut Kohl, which has a majority of just 10 seats in the Bundestag, the lower house of parliament.

The policy of differentiating the FDP from its coalition partners is the idea of Mr Guido Westerwelle, the party's ambitious 34-year-old general secretary. At Saturday's meeting, he poured scorn on the CDU and CSU for, in effect, being social democratic parties while marking out the FDP as the party of the individual and small businessman.

Other speakers also underlined the FDP's independent stance. Mr Klaus Eberle, the foreign minister and former FDP leader, declared that the party would be loyal to the Bonn coalition but that its partners should realise it had its own views and pride.

As if to emphasise the point, he adopted a more strident tone than usual on several foreign policy issues. He condemned French nuclear tests and demanded that Russian president Boris Yeltsin halt the war in Chechnya.

News	20	Business Education	13	World Bond Markets	28
European News	2	Week Ahead	16	Equity Markets	27
Asia-Pacific News	3	Features	19	FTSE-100	24
International News	4	Leaders Page	19	Managed Funds	32,35
UK News	5	Letters	19	Money Markets	29
Law	20	Observer	19	Share Information	31,31
Guide to the Week	36	Management	12	World Stock Markets	28
The Week/People	11	Media	15	Survey	
Sport/Architecture	16	Media Futures	17	Rehabilitation of 8 London 7-10	

"I've had to fly, sit in taxis, attend meetings and live on snacks for 24 hours straight. Now what?"



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سكنا من الاصل

Japan's coalition sets out agenda

By William Dawkins in Tokyo and Our Foreign Staff

Japan's three ruling coalition parties yesterday agreed an accord which includes the new government's policy manifesto. The agreement, reached by the coalition of the Liberal Democratic party, Socialists and the left-leaning New Harbinger party, paves the way for LDP leader Ryutaro Hashimoto to take over the reins of government from the outgoing prime minister, Mr Tomiichi Murayama, who announced his resignation on Friday.

The agreement also includes a promise, in deference to the pacifist wing of the SDP, to push for a review of US forces on the southern island of Okinawa, a slight concession from become a military power again. Also agreed were the lifting of curbs on holding companies to promote entrepreneurship, and a reduction of the current account surplus to 1 per cent of

towards other Asian nations. Under yesterday's agreement the coalition also aims to: streamline Japan's military forces and raise efficiency; hearing in mind the opinions of Japan's Asian neighbours and of domestic opinion, practise caution in promoting moves to win a permanent seat on the UN Security Council; ensure financial institutions take full disclosure steps. Try to recover debts from sipping private mortgage companies, or *jusen*, and clarify the responsibilities on the issue; take quick steps to review the financial structure built around the finance ministry, and to create a fresh financial system with greater transparency. The coalition will try to ensure a system to deal

quickly with financial institutions in danger of bankruptcy; aid victims of acts of terrorism by the doomsday cult Aum Shinri Kyo and study ties between politics and religion; promote steps to normalise Japan's ties with North Korea; promote streamlining and reduction of US bases in Okinawa without jeopardising security ties with the US. Kyoto reports: A car driven by a lance corporal from the US Marine Corps in Okinawa was involved in an accident that led to the deaths of a woman and her two daughters yesterday. The incident follows public outcry over the presence of US forces following the charging of three soldiers over the rape of a schoolgirl.

Tokyo may seek Airbus design review

By Michio Nakamoto in Tokyo and Michael Cassell in London

Japan's Ministry of Transport is expected to request a review of the design of the Airbus A300-600, following an investigation into a 1994 China Airlines crash in which 264 people died, according to the Japanese national daily, the Yomiuri Shimbun.

The unprecedented warning by the Japanese authorities is said to be based on a report by a special commission of the ministry, which, the Japanese newspaper reported, had found that the high technology command system of the Airbus A300-600 contributed to the crash in Nagoya.

According to the Yomiuri, the commission concludes that the aircraft's pilot unintentionally switched on the aircraft's go-around lever, which causes the aircraft to ascend and re-attempt landing. The pilot was unable to disengage the go-around function, which was causing the aircraft to ascend, and tried to land instead. As a result, the aircraft's computer received conflicting commands, leading to a situation in which it lost speed and crashed, the commission has concluded, according to the Yomiuri.

The commission notes that the safety system which prevents the aircraft from losing speed went into full effect when the aircraft was ascending, aggravating the situation which led to the crash. It will add, the Yomiuri reported, that the go-around lever is in a position where it can easily be activated accidentally.

An Airbus spokesman said that following an investigation into the crash by the US National Transport Safety Board, modifications had been made to the A300-600 command system, reducing the height below which a pilot could override the go-around system. He said it would consider any new recommendations to enhance safety.

橋本政権誕生へ

The Asahi Shimbun newspaper announces the 'Birth of the Hashimoto Administration' at the weekend

The LDP's traditionally pro-US military stance. Coalition officials yesterday said the tripartite agreement covered such areas as reform of the United Nations, the Diet (parliament), politics, administration and education as well as Japan's pledge not to

gross domestic product from the 1996 level of 2.1 per cent. On foreign policy, the coalition accord calls for reassessment of US ties, already on the agenda for discussion when US President Bill Clinton visits Tokyo in April, as well as development of diplomacy

INTERNATIONAL PRESS REVIEW

Three unelected governments in a row

JAPAN

By Michio Nakamoto

The Japanese public has become inured to domestic political surprises. Ever since the 38 unchallenged years of Liberal Democratic rule was broken in 1993, domestic politics, in the eyes of a numbed public, has come to resemble a circus in which the normally preposterous becomes mundane. Last week's sudden decision by Mr Tomiichi Murayama to resign as prime minister heightened that perception. Predictably, his abrupt departure was greeted by the country's media with more cynicism than astonishment, let alone regret.

As defender of a US-Japan security treaty which his Social Democratic party had long opposed. The paper was also critical of the lack of strong political leadership in tackling pressing issues such as structural reform and it repeated its contention that "the Murayama government has already served its purpose". The *Asahi Shimbun* (Nikkei), a national daily with a focus on economic and business affairs, was equally disparaging.



A Lucky Bag... Ryutaro Hashimoto gets a welcome surprise from a traditional Japanese Lucky Bag - the resignation of Tomiichi Murayama. Asahi Shimbun.

needs stronger leadership than Mr Murayama has been able to provide. The *Yomiuri Shimbun*, the most widely read national daily, said there was strong public criticism of the style of transfer of power within the coalition government. Frustration with the coalition government has been building up in Japan ever since the sudden resignation of the former prime minister, Mr Morihiro Hosokawa, in early 1994. Mr Tsutomu Hata, who unexpectedly found himself prime minister as a result of Mr Hosokawa's untimely departure, left equally abruptly, leading to the prime minister's post of Mr Murayama.

China silent on US visa for Li

China yesterday gave no response to the US decision to issue a transit visa to Mr Li Yuan-shan, Taiwan's vice president, writes Laura Tyson in Taipei. Although it is unlikely Beijing will react as sharply as it did to Taiwanese President Lee Teng-hui's visit to the US last year, the issue could renew sensitivities across the Taiwan Strait.

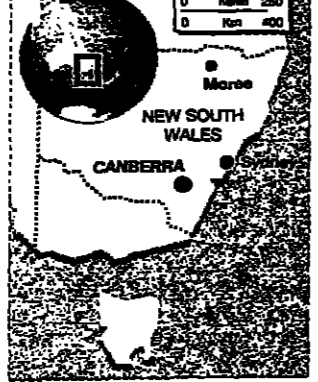
The US visa will allow Mr Li's aircraft to stop in Los Angeles on January 11 and 16 on his way to and from Guatemala, where he is to attend the inauguration of the central American country's new president on January 14. Mr Li needs a US visa so his aircraft can be refuelled.

"There will be no public activity during the transit," a US state department spokeswoman said at the weekend. China regards Taiwan as a rebel province in the hands of an illegitimate government and objects strenuously when countries with diplomatic ties with Beijing treat Taiwanese officials in what might be construed as an official capacity. Beijing was enraged when the US permitted President Lee to make a private visit to the US in June to deliver a speech at Cornell University. The incident led to a serious deterioration in Sino-US relations, which have yet to recover. China interpreted Mr Li's US trip as an attempt covertly to promote Taiwanese independence, which Beijing opposes.

Wheat farmers ponder future

Nikki Tait finds price rises have come too late for some Australians

Ms Penny Henley looks down over the 2,000 hectare property, just south of the New South Wales-Queensland border, which she and her husband have farmed for the past 30 years. Along a nearby strip of road - about 25km in length - five families have sold up and moved out recently, she says. Chris, her husband, whose family has been working Australia's land for a rare seven generations, puts the point even more starkly. "Twenty years ago, 140 families were delivering to the silo at North Star," he remembers. "Now there's about 12."



casting agency, this season's wheat production should be over 17m tonnes, 92 per cent higher than the previous year. In New South Wales alone, production is expected to rise almost fivefold to 4m tonnes. However, the Henleys' downbeat assessment is echoed by traders in nearby country towns. "It's been quite slow, and very patchy - nobody seems to have much spare this Christmas," says the proprietor of Habitat Interiors, a gift shop in the market town of Goodindale, which straddles the NSW-Queensland border. Down the street, a sign on the public library door publicises the continued availability of rural assistance funds.

equipment task ahead. As Mr Glenn Dalton, director of grains at the NSW Farmers' Association, puts it: "We've just been through possibly the worst combination of conditions ever - interest rates, drought, plague. Grain farmers have had things extraordinarily difficult." Second, even in the current year, the path back from drought conditions has been bumpy. Mr Henley remembers the weeks in September when his farm, and surrounding properties, were hit by a mouse plague which extended from southern Queensland into northern NSW. Then, later, as he went to inspect the mice-baiting process, he noticed that the wheat was frozen. Northern NSW encountered the worst frosts ever recorded that late in the year. It will take a number of good years before confidence returns. "You don't finish a drought with the first rains, and you don't finish an economic drought with the first good crop," says Mr Dalton. Ironically, though, this could increase the drift from the land which the Henleys are already reporting. "We know of people who would have sold, but there's been no market... and there's no point in disposing someone if you can't sell the holding," says the NSW Farmers' Association. Asian buyers, meanwhile, may see this as a good purchasing opportunity. Last month, Chinatex, China's giant wool and cotton buying agency, was reported to have snapped up three large cotton-growing properties near Moree, covering over 4,000 ha, from a local farming family. The third reason for the very

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Halt murders, PM tells Gerry Adams

By John Kampfner, Chief Political Correspondent

Mr John Major, the British prime minister, yesterday accused leaders of Northern Ireland's Sinn Féin party of directing recent murders by a group claiming to be fighting the drugs trade. Sinn Féin is the political wing of the Irish Republican Army.

Mr Major called on Mr Gerry Adams, president of Sinn Féin, and Mr Martin McGuinness, its chief negotiator, to stop the killings. The prime minister's remarks come days before the international body looking into the question of illegally held weapons is due to present its report to the British and Irish governments.

The three-man commission, led by US Senator George Mitchell, a close adviser on Northern Ireland to President Bill Clinton, has been asked to judge the willingness of the IRA and its pro-British rivals to hand in some of their weapons ahead of all-party negotiations about the future of Northern Ireland.

Responsibility for the killings has been claimed by a group calling itself Direct Action Against Drugs. But British ministers and police chiefs in Northern Ireland say they are the work of the IRA.

"These killings are centrally directed," Mr Major said in a BBC television interview. "I have not a shred of doubt about that." He noted how so-called "punishment beatings" - the use of violence by paramilitary organisations to punish members of their own

community for alleged crimes - had "miraculously" stopped around the time of Mr Clinton's visit to Ireland a month ago. "Those people who stopped it before - and I think Sinn Féin and the IRA are both sides of the same coin - could stop it again," Mr Major said. "I would say to Mr Adams and Mr McGuinness and the others: I believe you can stop these killings and these beatings."

Mr David Trimble, leader of the Ulster Unionist party, said "the ceasefire is presently not in existence". Mr Trimble's party is the largest pro-British party in Northern Ireland, and one on which Mr Major will depend increasingly as his majority in the House of Commons dwindles. "Sinn Féin/IRA see what they believe is a weak prime minister, they see him in difficulty, so they are pushing him," Mr Trimble added.

He claimed that Mr Clinton's public statement to terrorists in Belfast, the capital of Northern Ireland, that "your day is over" had stung the IRA into the recent spate of killings. There had been "a deliberate decision of the leadership of Sinn Féin/IRA to resume the use of arms," Mr Trimble added.

"This is not a group of people carrying out a crusade against drug dealers and drug barons," he said on Sky television. "It is an effort by the IRA to maintain control and to get money. They are very short of money. It is also a matter of saying to the government and to the Mitchell commission that 'we are not going to decommission'."

Consortium will build 110km line from London to Channel tunnel Rail route winner to be named soon

By Charles Batchelor, Transport Correspondent

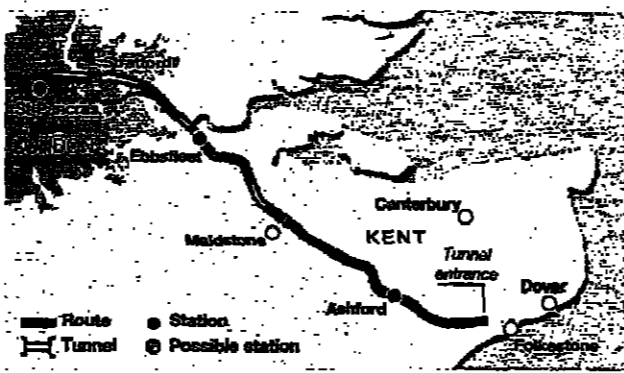
The winning consortium bidding to build the £3bn (\$4.6bn) rail link between London and the Channel tunnel to France will be named early next month. But the high-speed link is not expected to be finished before early 2003, six months later than previously planned.

Two consortia from the original four bidders are being considered. One is London & Continental Railways, which includes Mr Richard Branson's Virgin Group; Ove Arup, the design consultants; and Bechtel, a US project management group. The other is Euro-rail, involving the construction companies BICC and Trafalgar House.

The 110km line will run from a new station at St Pancras in London to the Channel tunnel entrance and will cut 30 minutes from journey times to Paris and Brussels. At the moment Eurostar trains from London to Paris and Brussels use existing tracks in south-east England and do not reach full speed until they are in France.

Construction work is expected to be straightforward, say construction industry executives close to the project. But

Channel tunnel link



passenger numbers on Eurostar trains have been only a third of those originally forecast. Passenger numbers to Brussels have been particularly disappointing.

The two remaining bidders submitted their final offers late last month and are now in the final stage of negotiations, construction industry executives said. "There is a lot of work to do in January and the pressure will be greatest on the Department of Transport to tie up loose ends," said one executive.

Ferry companies, fierce competitors of rail services through the Channel tunnel, are intensifying their battle to dominate the market for travel between Britain and France. A family of four can now take a car from an English port to France and back by ferry for less than £10 (\$15.50). "It is cheaper to go to France than it is to travel on the London Underground," said one ferry

company executive. The low prices result from the launch of two new separate services on the Dover-Calais route after the expiry at the end of last year of their previous pooling agreement. The newcomers are Siena Line and Sea France (formerly SNAV), an offshoot of SNCF, the French state-owned rail network. The new operations will lead to the addition of two ships.

"Once the winner is announced it will be in a strong position to demand concessions if there are any disputes before contracts are finally signed on April 1."

More than 100 contracts will have to be agreed with the winning bidder, including one which compensates state-owned train companies now using St Pancras for any loss of ticket revenues if customers are forced to walk further along platforms to board trains because of construction work. The existing St Pancras station was built more than 100 years ago and is the London terminus for several cities in the English Midlands.

Meanwhile the committee of the House of Commons which has been hearing objections from local residents is expected to complete its hearings by the end of this month and report in February.

It still has to decide on the length of tunnel to be built in Islington in north London and on issues such as the amount of compensation to be paid to people affected by the line and on acceptable levels of noise.

After further scrutiny in parliament, the bill to allow building of the high-speed link is expected to become law early in 1997.

90% of adults did what the bishop declined to do

By Michael Cassell and Gillian Tett in London



Mr John Major, the prime minister, did not do it; neither did the Rt Rev. Simon Barrington-Ward, the Protestant bishop of Coventry.

Mr Tim-Melville Ross, the director-general of the Institute of Directors did not do it either and says he has no intention ever of doing it.

But nine out of 10 adults did participate in Saturday's National Lottery draw - Britain's biggest single gambling event - to try and win a share of the record £42m (\$64.7m) jackpot. While only three tickets will split the big prize no fewer than 2,385,106 other tickets can today be exchanged for cash sums ranging from £10 upwards.

As Camelot, the consortium which organises the lottery, waited last night for the three big winners to identify themselves, the debate on the morality and the economic impact of a lottery which last

week sold tickets worth £128m rumbled on. Mr Major called it a "huge success" and dismissed critics who said it encouraged greed. But the Bishop of Coventry said the lottery was "a corrupting influence" and called for its abolition.

The financial community was also weighing up the impact - including a record surge in cash withdrawals from building societies and banks. Link, the industry body which covers the cash dispensers in 10 banks and 18 building societies (mutually owned savings and loans institutions), said that withdrawals on Friday and Saturday totalled £55m - some £11m more than in the same period last year. Mr Howard Aiken, Link's general manager, yesterday said: "The extraordinary leap in cash withdrawals over the last week seems to have been prompted by the record National Lottery rollover."

"The lottery has given a significant boost to cash payments which we predict will alone help contribute to over one billion extra cash transactions in the UK during 1996."

UK NEWS DIGEST

Labour warms to Singapore

Mr Tony Blair, leader of the opposition Labour party, said in Singapore yesterday that his party was studying the state's system of compulsory savings to see if Britain could learn from it to improve its own social security system. He said during a three-day private visit to Singapore, that Mr Chris Smith, his party's chief social security spokesman, would visit Singapore today and examine the state's Central Provident Fund (CPF) savings scheme.

"It is very much on our agenda to see how we can get the best out of our welfare state," said Mr Blair. "Our welfare state at the moment isn't functioning in the way that it should. It is neither helping those who are the poorest nor is it giving people the encouragement and incentive they need to get back into work." The CPF scheme obliges workers to save 20 per cent of their income for pensions, medical care and insurance and then makes employers match the contribution. The savings provide a flow of long-term money for state spending on infrastructure. Singapore joined the Organisation for Economic Co-operation and Development last week.

Reuter, Singapore

Call to dilute labour laws

The government should pledge to repeal laws on redundancy compensation and unfair dismissal as part of its drive to make Britain the enterprise centre of Europe, says a rightwing think-tank. Mr Warwick Lightfoot, a former special adviser to the Treasury, argues in a pamphlet published by the group Politeia that European Union directives should not be allowed to stand in the way of a more liberalised labour market.

Politeia was launched at Westminster late last year under the patronage of Viscount Cranborne, the leader of the Conservative group in the House of Lords, the unelected upper house of parliament, and Lord Parkinson, a former chairman of the party who was a senior minister in the governments led by Mrs Margaret Thatcher in the 1980s.

"The existing regulations, though lighter than they were, still distort employers' decisions, reduce economic activity and raise unemployment," says Mr Lightfoot. He argues that freedom of contract must be at heart of future relations between employer and employee. "The piecemeal changes to legislation made over the last 15 years are not enough," he writes. "It is time now to remove the over-arching framework of employment protection legislation on redundancy compensation and unfair dismissal."

John Kampfner, Westminster

Immigration campaign opens

The Trades Union Congress is trying to persuade left-leaning Conservative MPs to help delete the clause in the government's proposed asylum and immigration bill that will make employers criminally liable if they are found to have given a job to an illegal immigrant. The TUC says many Conservative MPs are known to disapprove of the proposals put forward by Mr Michael Howard, home secretary. The bill will tighten restrictions on asylum seekers while toughening penalties on illegal immigrants. It has been widely criticised by business and labour groupings on the grounds that it will exacerbate racism while putting an unnecessary burden on employers.

Mark Sumner, Public Policy Staff

Tonne of cannabis seized

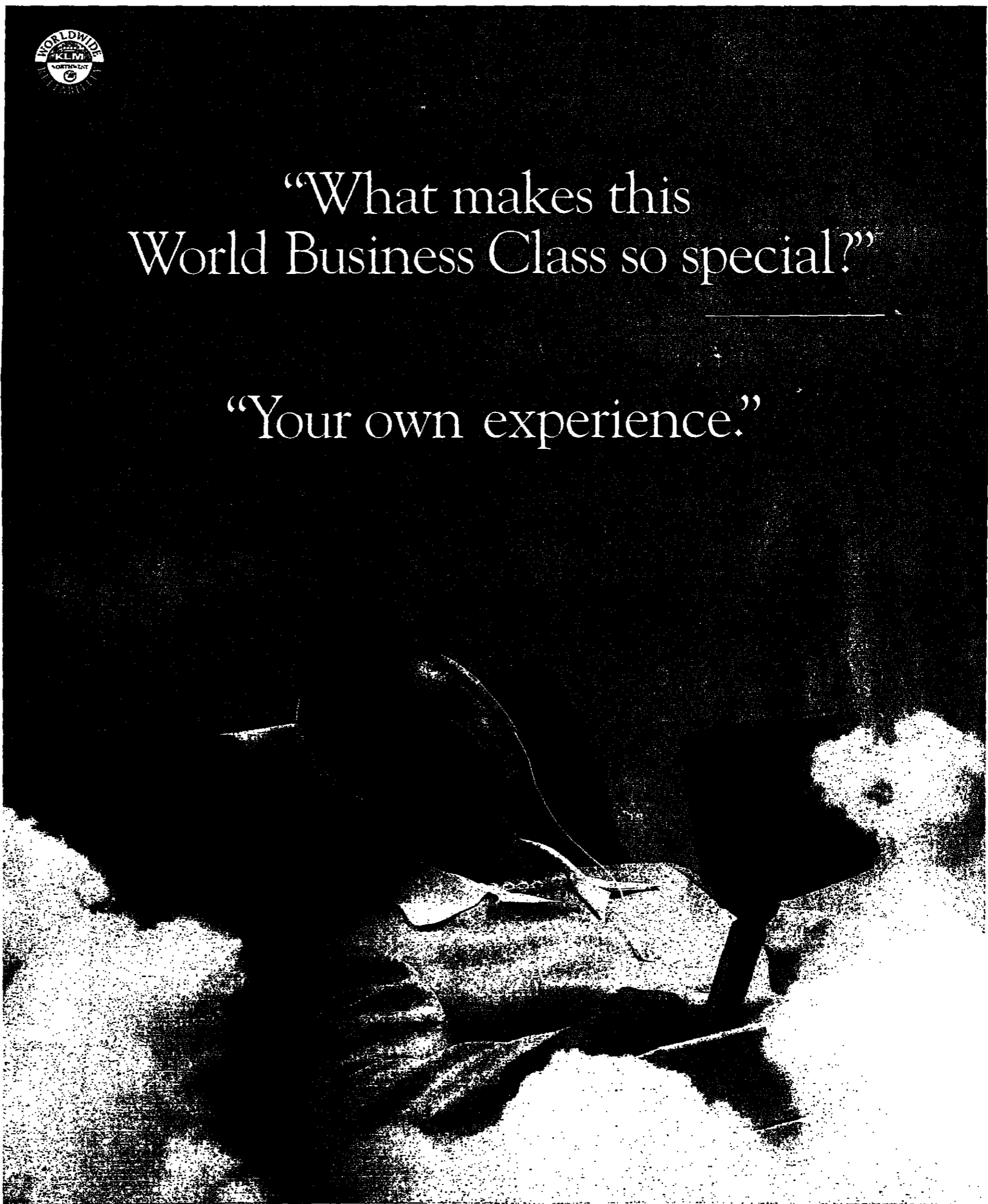
Four men were arrested in the English Midlands city of Birmingham after more than 1 tonne of cannabis was found in an industrial unit in the suburbs. Detective Superintendent Mick Williams, head of the local drugs squad, said they had dealt drug dealers "a very severe blow". Enough of the drug had been found to supply more than 1m individual sales on the streets.

● A 17-year-old youth was recovering in a hospital in Stornoway, the biggest town in Scotland's Western Isles, after being in a coma for 13 hours as a result of drug abuse. He was taken to hospital after his mother, a nurse, found him having convulsions in his bedroom. The drug was not named. A 15-year-old spent 24 hours in a coma in Stornoway in November after consuming a mixture of ecstasy and paracetamol. PA News

Landmarks for sale: Two of the best-known and remotest landmarks in Britain will go on sale today at a combined price of £5.5m (\$8.47m). Land's End on the south-west tip of England and John O'Groats more than 1,200km away on the far north of the Scottish mainland are owned by Gulf Resources Pacific of New Zealand.

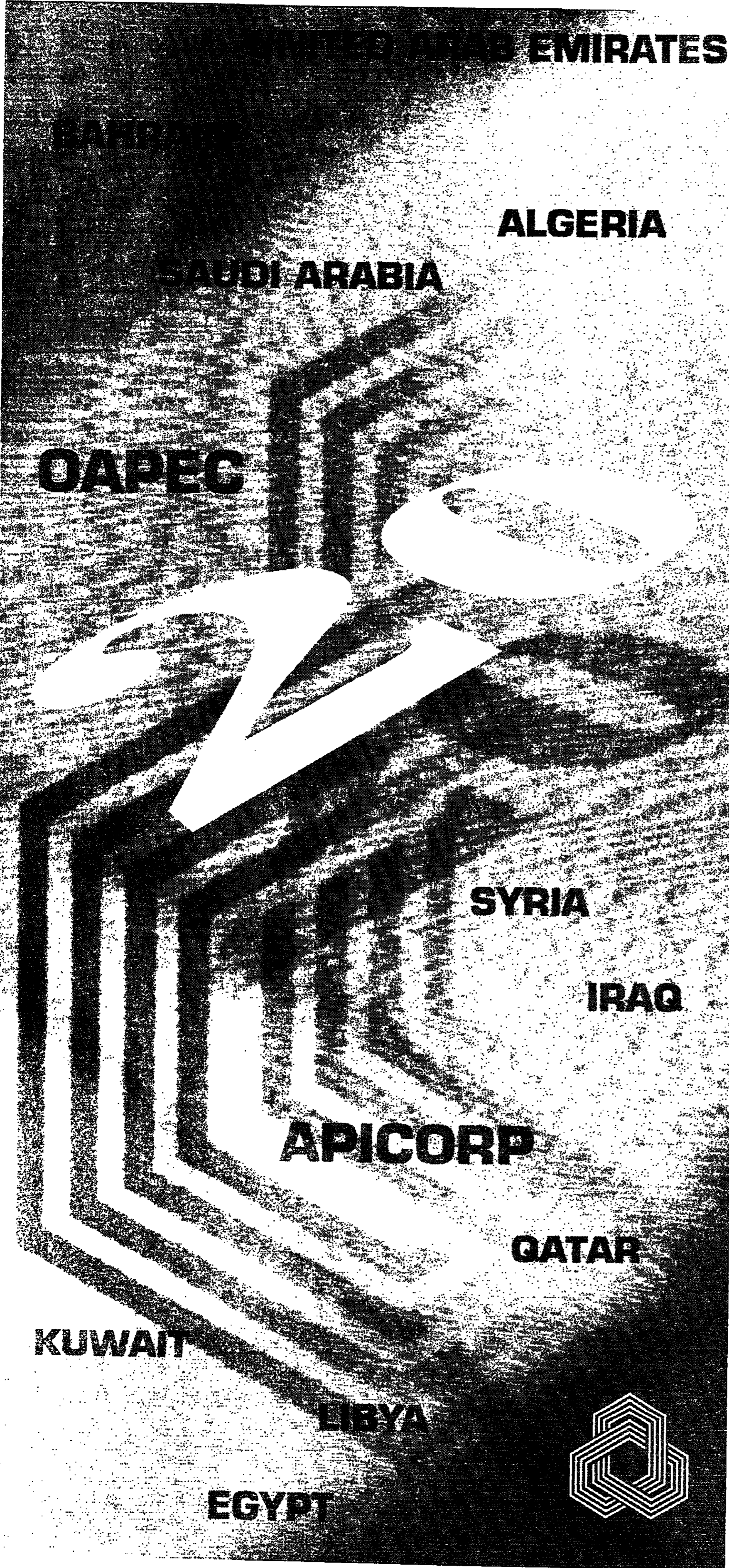
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The revitalisation of SOUTH LONDON

Councils rise to economic challenges

Andrew Adonis examines initiatives to make Southwark, Lambeth, Lewisham and Greenwich more prosperous

London's "north/south divide" may be greatly exaggerated. As this summer's controversy over the future of the Royal Naval College at Greenwich demonstrated, some of the capital's most splendid public buildings and parks are south of the Thames.

The five inner-south boroughs of Lambeth, Wandsworth, Southwark, Lewisham and Greenwich face serious social pressures, but so too do the boroughs to their north.

Judged by objective yardsticks, the essential contrast is between inner and outer London, not north and south. This year's national education league tables put 12 of the 16 inner London boroughs among the bottom 20 of England's 108 education authorities rated by GCSE exam results. All but one of those 12 were also among the top 20 for their proportion of pupils receiving free school meals - a fair indication of social deprivation.

Yet the River Thames is a dividing line, in mind as much as in fact. Even the gems on the south feel their lustre diminished by their location. The South Bank complex is endlessly scheming to improve its links with the north - one of the latest ideas is for a cable car linking it to Covent Garden. Great hopes rest on the extension to the Jubilee Line, which will include tube stops in Southwark, Bermondsey and Greenwich.

The Underground map, one of London's most powerful images, sums up the south's second-class status. The River Thames appears virtually as the city's southern border, with the brightly coloured tubes making only a handful of "mostly short" forays beyond it. The so-called "circle" line goes no further south than the "D", while the "circle" line never crosses the river. To add insult to injury, the only tube route with a substantial southern stretch is called the "northern line".

Elevating the Thames to be a serious cultural focus for London is of critical importance to those seeking to bridge the "London divide". As Sir Richard Rogers, the architect, puts it: "The Thames has the potential to be a great unifier - our ambition should be to turn the Thames into a great silver park for London."

There are plenty of profiling plans around. A series of public debates on "London in the 21st century", organised by Sir Richard, will take place in the coming months. Speakers include Mr Tony Blair, the Labour leader, and Mr John Gummer, the environment secretary.

Greenwich has launched its bid - one of four nationally - to host the Millennium Exhibition, intended to usher in the new century. In November it unveiled a plan that includes 2,000-seater launches to ferry visitors along the Thames from car parks with a capacity of 5,000 vehicles.

More immediately, a host of

initiatives is in progress, or under discussion, to promote the part of the southern bank of the Thames covered by the four boroughs in this survey. Among cultural projects, is the Tate's new extension. This will be at Bankside Power Station, almost next door to the reconstructed Globe theatre.

Last May, four of London's inner city local authorities - the Corporation of London, and the boroughs of Southwark, Westminster and Lambeth - launched the Cross River Partnership to raise the profile of Thames regeneration. Shortly after, Mr Gummer published a consultant's report identifying new focal points for development along the river.

However, there can be no pretence that raising the profile of the Thames over the medium term will lead to much early or dramatic improvement in the environment for most of the people living in inner-south London.

The four boroughs covered by this survey - Lambeth, Lewisham, Greenwich and Southwark - embrace some 940,000 residents. Together, their population is almost as large as that of the entire county of Hertfordshire, which boasts 10 local authorities.

One fact highlights the social and economic challenge facing the four boroughs. They comprise 165,000 council-owned homes, making about one in two of the boroughs' residents a council tenant. That is nearly three times the national average. In and beyond the council housing estates comes the gamut of inner-city social problems: drugs, crime, benefit dependency, poor school performance, and so on.

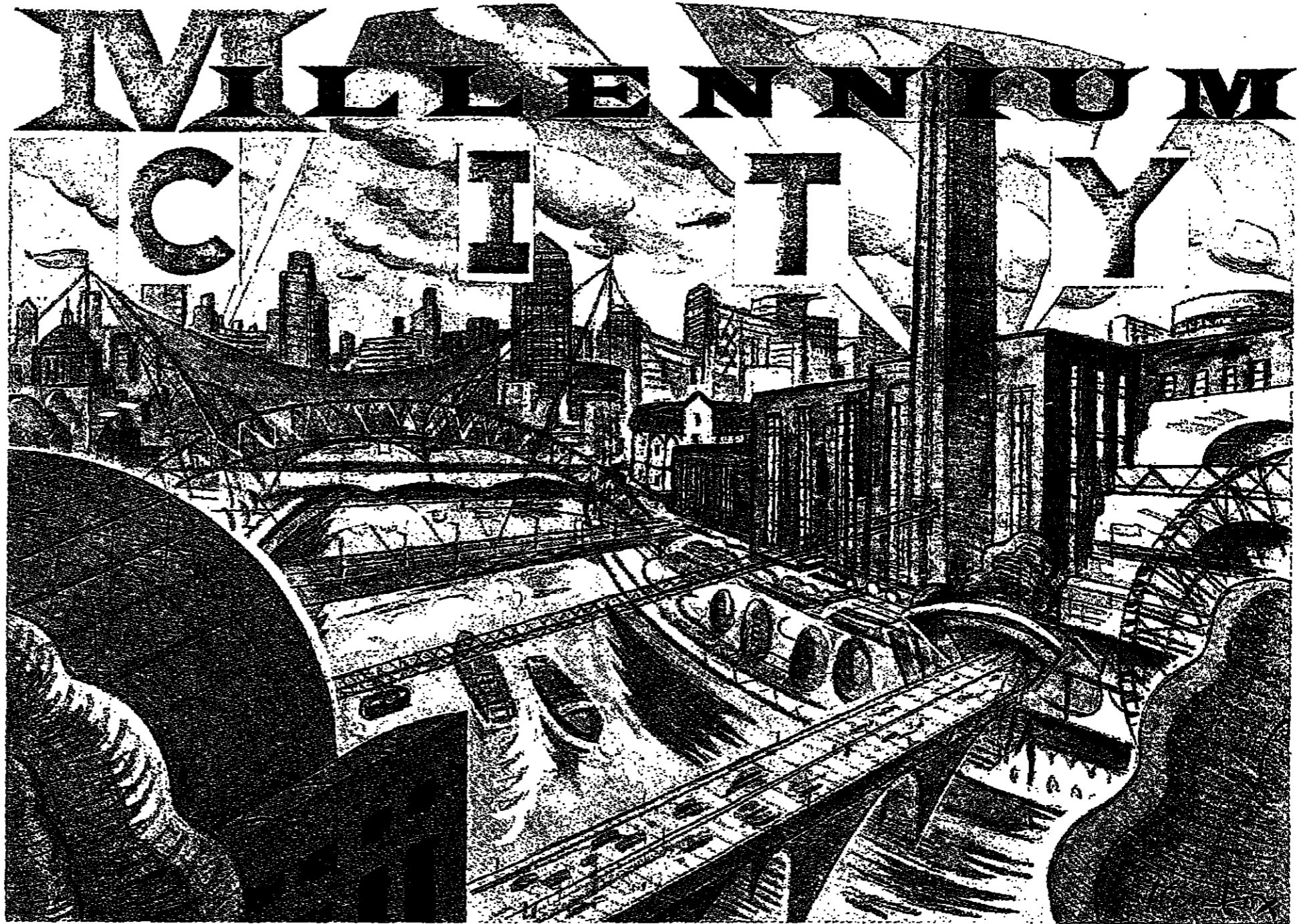
Not, alas, are serious street disturbances a thing of the past. Last month saw riots return to Brixton after the death in custody of a black youth. Damage to 50 business premises cost an estimated £1m.

Acute deprivation exists alongside extreme affluence. Nowhere is this more visible than in the school system. In Greenwich, Lambeth and Southwark between 10 per cent and 15 per cent of pupils last year left school with no qualifications at all.

Yet the area supports a flourishing private school sector. In Dulwich College it has one of the nation's foremost private schools. Last year, the college received £1.28m from the assisted places scheme to subsidise the fees of poor parents - more than any other school in the country.

Encouragingly, most of the area's politicians, voluntary groups and business leaders now recognise the need for public/private partnership to pioneer regeneration. Even among Labour councillors, there is little attempt to disguise the scale of the task, or to pretend that central and local government can tackle it unaided, let alone in a state of mutual hostility.

Southwark council's latest



handbook is typical. "Teamwork" is emblazoned across a piece of figurative jigsaw on the front cover. The council's recent strategic review reads like the blueprint for a corporate re-engineering project, with four sections entitled

Most people now recognise the need for partnerships with the private sector

"forces for future change", "strategic management processes", "organisational options" and "transitional management implications".

The first is uncompromising in its analysis. "Arrangements for public governance are changing dramatically," it declares, "as relationships between individuals and the state and the public and private sectors are being redefined."

This is a significant change. Lambeth was the only one of the four boroughs to come under the undisputed control of the hard left in the 1980s. Yet "a mentality of embattled opposition", as one of the local Labour council leaders puts it, pervaded all four until recent years.

Mr Tony Travers, director of the Greater London Group at the London School of Economics, says: "Lambeth is a special

case, and it is still too early to be sure that it has turned the corner. The others - particularly Lewisham and Southwark - are coming to be seen as the high-water mark of Blair managerialism."

Few would question his judgment about Lambeth. A damning report earlier this year by an independent inquiry described the borough as "in an appalling mess", with "vast amounts of money wasted" and the provision of local services "severely prejudiced". It advised the new chief executive and councillors - Labour lost its majority in the last borough elections and no party now has overall control - to proceed on the basis that mismanagement is to be found in each and every directorate.

Ms Heather Rabbatts, the new chief executive, insists that an effective start has been made in reforming administration. But the work is likely to take several years. A host of urban regeneration initiatives, public and private, is highlighted in this survey. Partnership is the dominating theme. To a large extent, this is a product of the new political climate. But it has also been forced on the boroughs by national policy. In particular, the government's City Challenge and Single Regeneration Budget schemes tie Whitehall funding closely to partnerships with the voluntary and private sectors.

For example, Southwark last year won £50m under the Single Regeneration Budget to regenerate a particularly

run-down part of Peckham. Yet investment secured by the Peckham Partnership will total £251m over the next seven years. The objective is to establish "desirable residential areas" and support a "stable and prosperous community".

In the renovation of Deptford town centre, Lewisham already boasts one of the more successful urban regeneration schemes of recent years. Millwall football club's new all-seater stadium is perhaps the most visible result. Attention

is now moving to Lewisham and Catford. Greenwich's efforts are centred on the Greenwich peninsula, a large area of wasteland facing Docklands that used to house gasworks. There is a strong sense of

optimism among those engaged in regeneration across the boroughs. But, as Mr Travers, remarks: "It's a bit like painting the Forth Bridge: it is often hard to know where to start, and there is certainly nowhere to finish."

Transport: by Charles Batchelor

New links, new image

Improved infrastructure will help connect the area with the wealth of the capital's centre

South London became the home of a conspicuous new icon of modern travel when Mr Nicholas Grimshaw's international railway terminal for Eurostar Channel tunnel trains opened at Waterloo in 1994.

But Waterloo International station handles passengers who, for the most part, are just passing through and serves only to highlight the paucity of transport provision for people living and working in the four boroughs.

Despite their closeness to the City, Westminster and the West End, the inner London boroughs south of the Thames are a world away in terms of prosperity and economic activity, in part because of a lack of road transport links.

Lewisham summed up the problems facing the area in its unitary development plan, intended to set a framework

for planning over the next decade.

"Lewisham suffers because of its proximity to central London," it wrote in its draft plan. "Roads and railways are congested in the rush hours and local traffic is disrupted. During the morning peak, trains are already full when they arrive at stations in the borough."

Road congestion affects emergency services, goods vehicles and bus services as well as the safety and convenience of pedestrians and cyclists. Both the environment and the health of local people are harmed by pollution caused by road traffic.

The main problem facing the boroughs is the limited number of Tube lines running south of the river. The centre of gravity of the London Underground network lies north of the Thames, with only the Northern Line penetrating very far south.

Proposals have been made to extend other Tube lines further south, though these have yet to become firm plans. The East London Line could go to Dulwich town centre and to Lewisham.

with, the Bakerloo Line might also go into Lewisham while the Victoria Line could go to Streatham.

But the limited extent of the present Tube network leaves British Rail to provide commuter and leisure services. Although the BR network is fairly extensive its trains cannot compete with the Underground for frequency.

The difficulties of the south London boroughs have not been helped by the lack of an overall approach to transport planning in London following the abolition in 1986 of the Greater London Council. Central government's focus has been on revitalising the economy and the transport links of east London and Docklands - little attention has been paid to the south.

But this may be about to change. A series of studies carried out by the Confederation of British Industry, London Transport and London First, a public-private organisation that promotes the need for London-wide planning.

Sir George Young, transport secretary, responded in

November with an announcement that the government intends to publish plans for an integrated transport strategy for London in the spring.

In the meantime, a number of projects or proposed schemes have begun to improve mobility south of the river.

Work is progressing on the £1.9bn Jubilee Line extension that will link Westminster and the West End with Canary Wharf and the East End through Waterloo, Southwark, London Bridge and Bermondsey. The 10-mile long line, involving nearly eight miles of tunnel, is expected to open on time in March 1998, despite problems encountered with the tunnelling method employed.

The line, which runs just south of the Thames through the four boroughs, will increase the attractiveness of the area for both employers and new and existing residents. The extension will improve access to several tourist destinations including the South Bank arts complex, the Globe theatre, Southwark

Continued on page 4

Jubilee line extension

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Tunnelling to the future

Education by John Authers

Reforms gain momentum

The damage done by years of poor standards will be difficult to repair - but not impossible

South London's education system is battling with a legacy of entrenched under-performance.

Last year, 14.9 per cent of 16-year-olds in Greenwich left school with no qualifications at all. There were similarly high figures in Southwark (13.4 per cent) and Lambeth (12.2 per cent). The national average, by comparison, is 2.1.

Ofsted, the government schools inspectorate, is making a special investigation of all the schools in Lambeth over the next year, due to the significant number of schools in the borough that it had already found to be "failing". Lambeth is one of only two boroughs in the country to be singled out for such attention.

And the government's "league tables" of schools' performance in public examinations also do the four boroughs no favours. In a table ranking authorities by the number of students reaching at least five Cs at GCSE (the traditional benchmark for moving on to sixth-form studies) last year Southwark came 105th out of 106. In the previous three years, it had finished either 108th or 107th.

On the same scale last year, Lambeth finished 103rd, Greenwich 94th, and Lewisham 90th.

Lambeth and Southwark also have among the worst 10 absenteeism records in the country.

On first sight, these are deeply depressing figures. Like other economically deprived areas, south London's education system is not producing pupils who have the skills to help revitalise the local economy.

However, the area's local education authorities are making strenuous attempts to improve the situation, and they have plenty of help from outside agencies. South London gained two new universities in 1982 when South Bank University, whose main campus is near Elephant and Castle in Southwark, and Greenwich University were upgraded from polytechnics.

The authorities all appear to be progressing, albeit from a very low base. Southwark's successful effort

to move off the bottom of the league table has included employing teachers on separate, part-time contracts to take evening and Easter revision classes.

Lewisham has piloted anti-truancy measures with a Schoolhouse programme. Disaffected pupils are taken out of the school environment to attend lessons in a normal terraced house in Deptford, receiving tuition that is organised jointly by the council and Lewisham College. High technology is also being used: Lambeth's primary schools are now on-line, forming one of the UK's first local education highways.

At school level, the area boasts a City Technology College in Lewisham. In Lambeth, where the majority of secondary schools have opted out, some schools have made controversial proposals - so far denied by the Department for Education - to introduce academic selection in their recruitment of pupils. This follows the decision by grant-maintained comprehensive schools in neighbouring Conservative-controlled Wandsworth to select half of their pupils on academic ability.

The presence of numerous Anglican and Catholic schools, and a range of single-sex schools, also ensures a varied choice for parents, while the area's independent schools receive big subsidies from the government to take on children from low-income families through the Assisted Places scheme. Dulwich College received £1.28m from the government in 1993-94, more than any other school in the country.

But it is the area's higher and further education that is having the most direct impact on the local economy.

The universities, in particular, have placed themselves at the heart of attempts at regeneration. Both can stimulate development by virtue of their size. (South Bank doubled its intake between 1980 and 1982).

But both deliberately cater for the needs of the area, with a concentration of older students, many of whom take part-time degrees while continuing with their normal jobs. In 1992-93, 77 per cent of South Bank's entry for full-time courses were "mature students" (over 21), as were 61 per cent of students at Greenwich. This reflects efforts to



Door of opportunity: universities are helping re-skill the local workforce. Tony Anderson

re-skill the local workforce.

Both universities also act as consultants to local small companies.

Their capital developments alone have a significant economic impact. Greenwich has used innovative partnerships with the private sector to house its new students, striking a £12m deal with Wimpey, the construction company, to design, build, finance and operate new student accommodation in return for an annual rent. After 30 years, the buildings will return to the university.

South Bank is building a £13m hall of residence at St George's Circus, near Elephant and Castle, while a £4m information technology centre on the Borough Road, near Bankside, will open in September.

The centre will include 1,000 computer work stations, and will function as an "electronic library", with access to CD-Roms, external databases and the Joint Academic Network (JANET). The centre will have extended opening hours, and the university will hope to make it

available to the public.

Mr Gerald Bernbaum, vice-chancellor of South Bank, says the university also has ambitious plans for a further site on St George's Circus, which would include student accommodation but would also be available for community activities - such as a health centre, or services for the elderly.

But Mr Bernbaum is also keen to use the university to attract custom from outside the UK. South Bank's courses, which are mostly vocational, and its position near to the Thames and the centre of London, have made it popular with students from elsewhere in the EU. Degree courses that last four or five years in Germany can be completed in three at South Bank. In the process, students can gain fluency in the English language. More than 1,200 students came from other EU countries to take degrees at South Bank last year. The benefits to the local economy are not insignificant: all of these students must have spent money in the area during their stay.

Local government by John Authers

Losing the 'loony' label

Thanks to new management strategies, the councils are at last shaking off their old image

Superficially, south London's four borough councils look rather similar. All were Labour-controlled virtually continuously for a decade, and have to battle with serious levels of deprivation. They all tend to be labelled "loony left" indiscriminately by the press.

But this homogeneity is only superficial. The uniform party political outlook conceals huge differences in managerial culture and effectiveness, and in history.

Greenwich is a moderate council that never fitted the loony left label. Lewisham is well established as one of the most innovative and best managed councils in the UK, while, in the past few years, Southwark has shown signs of emulating it, using rather more radical plans.

Lambeth, considered king of the "loony left" contingent for policies adopted in the past two decades, has spent most of the 1990s trying to turn the tide.

The council has had three chief executives in the past three years, each of whom has tried to overturn the serious legacy of mismanagement. While councillors indulged in confrontational policies, such as resisting the government's decision to "cap" their rates in 1987, or publicly announcing they would not pay their poll tax in 1990, lower level managers were left virtually unsupervised.

In 1994, Labour lost overall control of the council, gaining only as many seats as the Liberal Democrats. Tenants' dissatisfaction with the appalling disrepair of the borough's estates was generally held to blame.

Lambeth has been frank about the problems for several years now, and in 1994 published a report by Miss Elizabeth Appleby, an independent barrister. This found that, as of October 1994, Lambeth, whose annual budget is about £600m, was owed £200m in unpaid rents, council tax and poll tax arrears.

Miss Appleby advised Lambeth's new chief executive, Mr Heather Rabbatts, recruited from nearby Merton after intensive head-hunting, "to proceed on the basis that mismanagement is to be found in each and every directorate".

She appears to have done so, as all the borough's departmental directors have been replaced since she took over a year ago. Ms Rabbatts is now making a series of what she calls "single policy hits", whereby officials focus on individual issues and report to the chief executive. "We've had estates where the lights have been on all day and off all night for the last two years. I have one officer, answering directly to me, working exclusively on estate lighting," she says.

If anything emphasises the change of attitude at Lambeth, it is the borough's stall at the last CBI annual conference. The stall has plenty of visitors, according to Ms Rabbatts, "and all of them said they'd never have worked with Lambeth before, but they would now".

Ms Rabbatts even wants finally to solve the problem of the borough's direct services operation. Lambeth is looking for a private sector buyer to take it over, effectively "externalising" the operation and exposing it to private sector disciplines. The council would retain a stake, and the organisation would remain contracted to it.

With rather less fanfare, neighbouring Southwark, still Labour-controlled, has already accomplished an impressive managerial shift. On a range of indicators published last year by the Audit Commission, its housing service (which owns the largest council housing stock in London) is shown to be comfortably the best in the city.

Behind the figures lies a welter of sweeping managerial changes pushed through with cross-party backing by the borough's soft-spoken chief executive, Mr Bob Coomber. The number of senior managers was cut by more than half, from 11 to five, leaving the incumbents to concentrate on strategy, and, coupled with staff cuts elsewhere, saving £1m from the annual wage bill.

Middle managers now take more responsibility. This is particularly true of the housing department, where power has passed down to individual estates and is exercised by tenants' associations in conjunction with local housing managers. The intention is to make the council serve clients, rather than defend departmental fiefdoms.

Brutal performance indicators are used across the borough, with each estate being told monthly how its figures on arrears, vacant flats and so on compare with others, and schools told how their exam results in individual subjects stack up.

South London's best-established example of the competitive spirit in local government is in Lewisham. There, DirectTeam, the organisation that provides blue-collar services, has proved fiercely competitive in answer to strong incentives provided for it by the council.

Uniquely among council direct services operations, DirectTeam started as a refuse collection group, which successfully became the first to introduce wheely-bins to a metropolitan borough, and then successively took over the organisations covering all Lewisham's blue-collar services.

Typically, DirectTeam would take on a service that was failing, turn it around, and pass on (some of) the savings to the council, while also using them to invest in the next failing service that it needed to take over.

Its formidable list of national prizes includes a national training award from the old Department of Employment, and a Chartermark for customer care. It was also the first public sector organisation to receive the British Standards Institute's ISO 9000 for all its services and is the largest public sector organisation to be recognised for the Investors in People classification.

DirectTeam is an enlightened employer, advertising for staff with promises of strong, accredited training schemes, including an Open Learning Centre where employees can improve their literacy and numeracy, and learn about word processing and spreadsheets.

The organisation also offers training opportunities to the local unemployed, recruiting about 110 people each year to take courses in building skills, which also lead to national vocational qualifications. Last year, this led to the unprecedented step of the organisation's managers setting up a management "buy-in" of AAB Environmental Services, one of the biggest local government contractors with a workforce of 2,500, in a deal worth £32m. This allowed its managers to expand their business in a way denied to them under current legislation, which limits trading by local authorities.

Lewisham has also led the country in experimenting with the concept of the "electronic town hall". Last year it provided "video boxes" in different locations in the borough where citizens could record their complaints or suggestions. Several hundred took the opportunity to do so.

SERVICE IS THE KEY



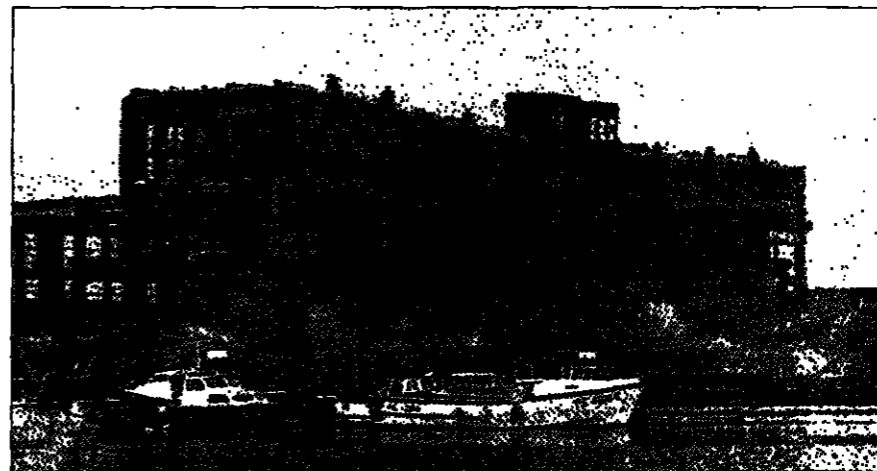
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IV THE REVITALISATION OF SOUTH LONDON

Tourism: by Scheherazade Daneshkhu

Faith grows in industry of the future

New hotels and new sites may break the north's stranglehold on the leisure business

London is unquestionably the main tourist destination in the UK. Of the 21m overseas visitors who came to the country in 1994, 11.5m headed for the capital. In addition, some 8.6m domestic visits were made. Tourists spent £6.4bn in the capital in 1994; the London Tourist Board expects the equivalent figure for 1995 to stand at £7bn, and the number of home and overseas visitors to total 21m.

Yet south London gets only a fraction of these financial benefits. Its biggest tourist attraction, Greenwich, does receive 2m visitors annually, thanks to the National Maritime Museum, the Royal Observatory and the Cutty Sark ship. However, the average visitor does not spend more than half a day in the borough.

The main problem for south London is that the capital's most popular tourist attractions are all situated north of the Thames. The British Museum, the National Gallery, St Paul's cathedral, the Tower of London, the Tate Gallery and Westminster Abbey are London's most frequented tourist destinations, attracting between them more than 19m visits a year.

Tourists not only visit sites - they also go to the theatre and spend £1.25bn a year on shopping. Here, once again,

north of the river has the advantage - this is where London's main shopping districts, Oxford Street and Knightsbridge, are located. Its theatre and restaurant heartland is also in the West End.

However, south London has its fair share of attractions, anchored by the South Bank development of theatres, cine-

mas, galleries and restaurants near Waterloo bridge. Such south London sites as Tower Bridge, the Design Museum, HMS Belfast, Southwark Cathedral, the London Dungeon and Lambeth Palace also attract a steady stream of visitors.

Two attractions that should increase visitor numbers substantially are also being developed: the replica of Shakespeare's Globe theatre and the Tate Gallery of Modern Art at Bankside power station on the bank of the Thames in Southwark.

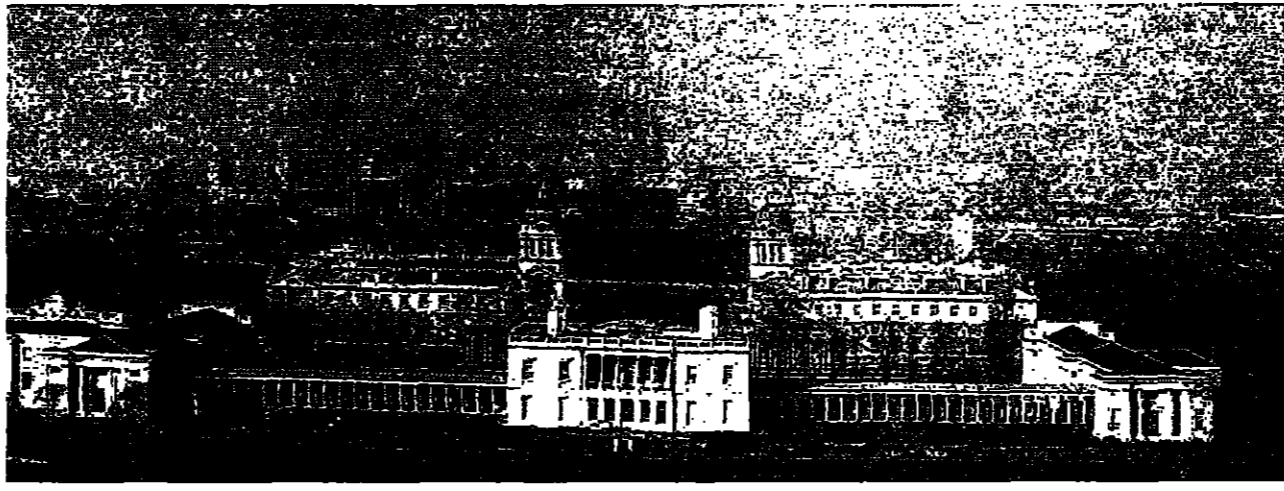
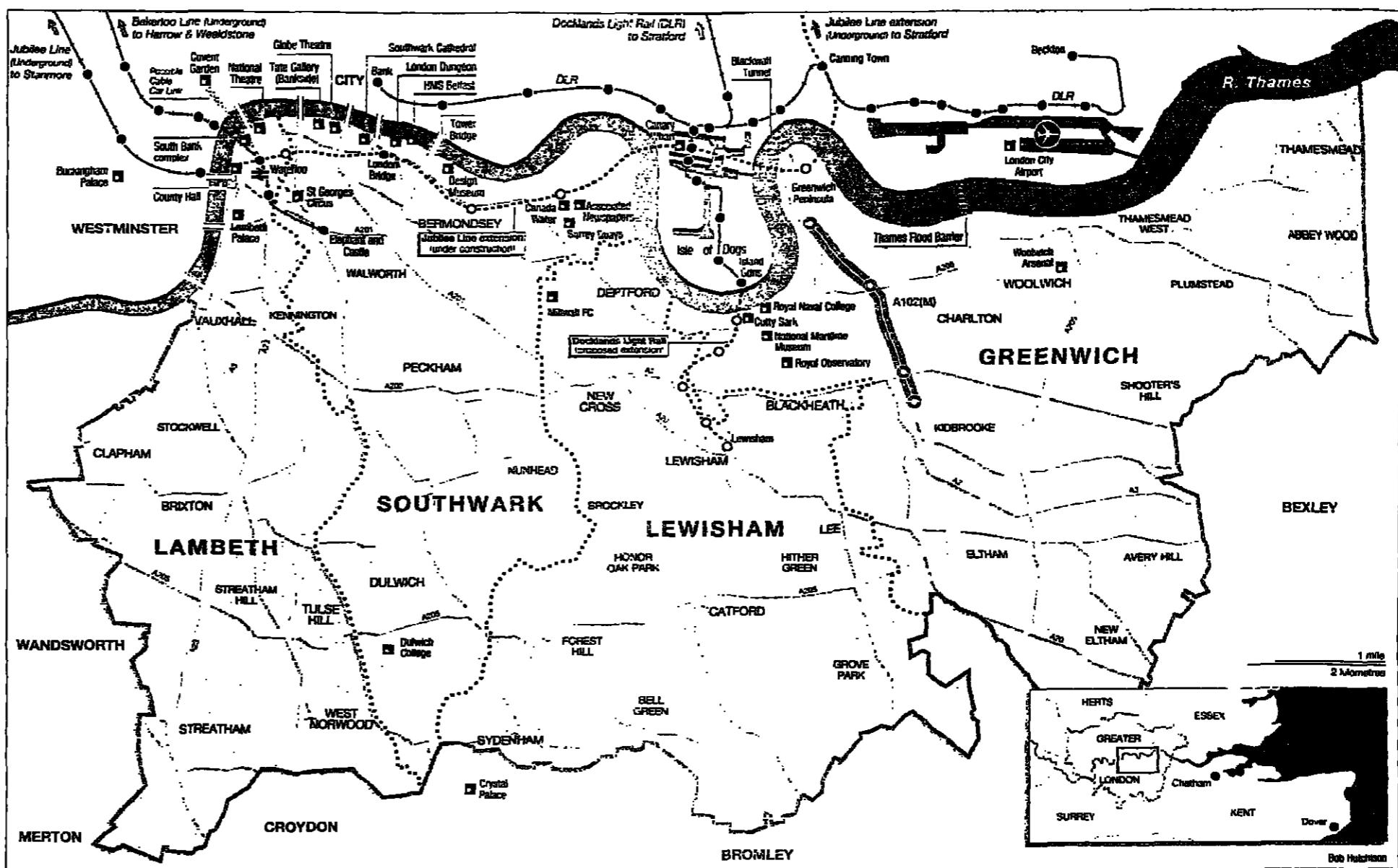
The Millennium Commission has awarded the Tate £50m towards the estimated £106m cost of the development of the Tate Gallery of Modern Art, and the Globe was recently given a £12.4m grant by the Arts Council.

The new gallery, which will show around 1,000 masterpieces of 20th century art, is expected to open in 2000. The Tate Gallery on Millbank will return to its original role as a museum of British art. There are also plans to link Bankside, which is opposite St Paul's cathedral, to the north bank with a new footbridge across the Thames.

These developments coincide with recent initiatives by the London Tourist Board and the government to try to spread the benefits of tourism to south and east London. The London Tourist Board was recently awarded £350,000 over five years through the government's Single Regeneration Budget challenge fund 1996 for its TourEast London project.

Greenwich and Southwark are two of the five boroughs - the others are Hackney, Tower Hamlets and Newham - in the TourEast consortium, which is promoting tourism to east London and which also includes the London Docklands Development Corporation.

Mr Robert Chenery, head of



Greenwich, where the National Maritime Museum, Queen's House and the Royal Naval College help attract 2m visitors annually

Transport services

Continued from page 1

Cathedral and HMS Belfast. It will also bring Canary Wharf within 10 minutes of Waterloo and at peak periods is expected to carry 18,000 passengers in each direction every hour.

The Jubilee Line extension makes no fewer than four crossings of the Thames, emphasising the extent to which the river forms a barrier, particularly in east London.

Another important crossing under the Thames will be provided by the Lewisham extension of the Docklands Light Railway. This will link the Isle of Dogs to the north and Greenwich and Lewisham to the south. Four consortia have been short-listed to build the £100m-£130m extension and are expected to put in their final bids later this month. The 4½ mile extension is expected to carry 10m passengers a year, a quarter of the total using the DLR network by 2001.

If all goes according to plan, the extension will be open in 1999, linking Lewisham town centre through Deptford and Greenwich with Canary Wharf. This would both improve job prospects for people in south London and give employers in Docklands a bigger pool from

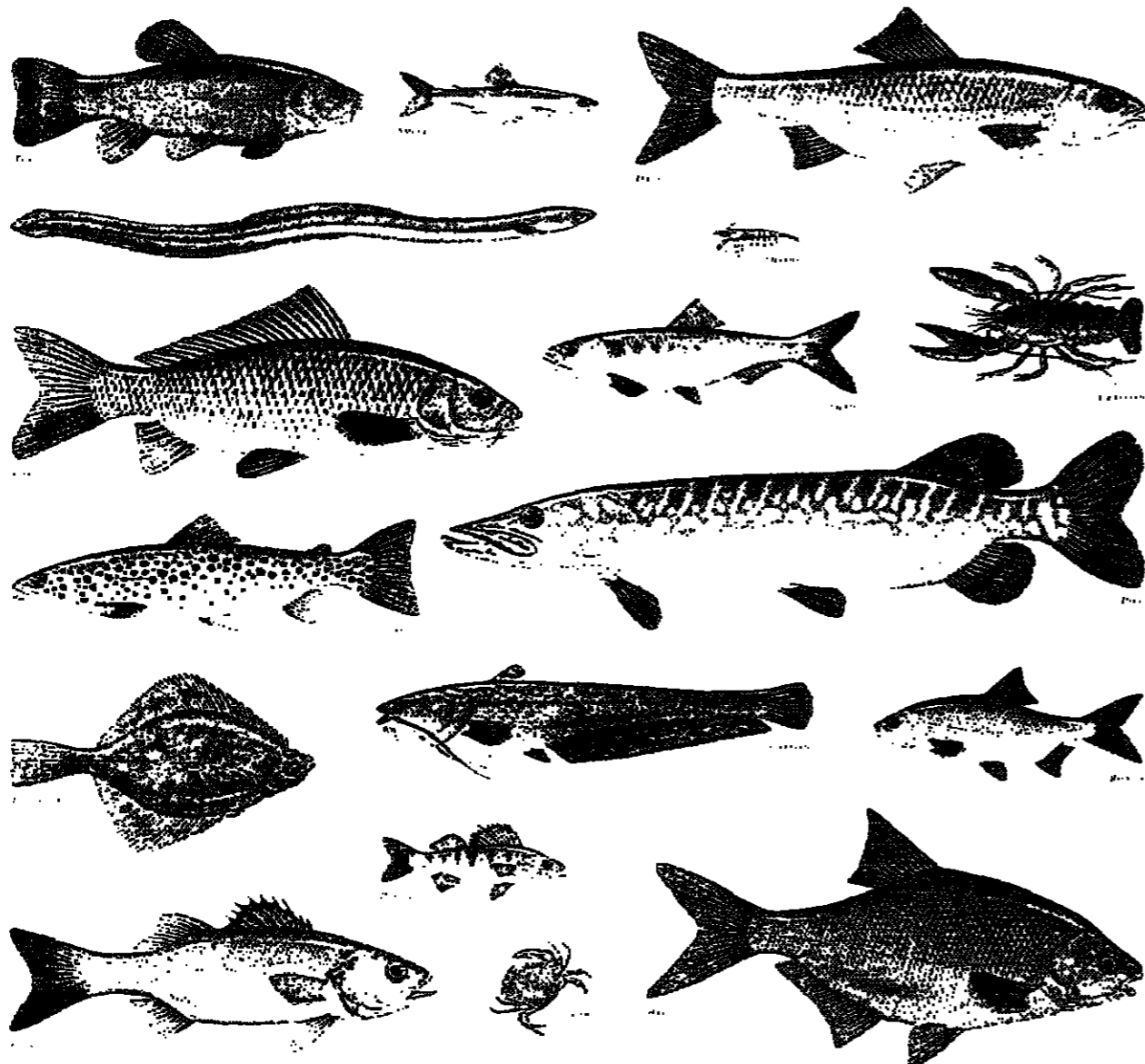
which to recruit staff. The extension also has the potential to increase tourist and leisure travel between central London and Greenwich. This, however, may prove prohibitively expensive - an underground station at the Cutty Sark site on the Greenwich waterfront would cost £14m to build.

There are no immediate plans to reintroduce trams in the four boroughs, although a proposal for a line linking Kings Cross with Waterloo and the Elephant and Castle is being investigated by London Transport and the councils involved. London's last tram ran between the Victoria Embankment and New Cross in July 1962.

Further south, however, the Croydon Tramlink project is making good progress. Four consortia have been short-listed to make final bids for the £160m project. The 17-mile network would speed up journey times between Wimbledon, Croydon, Beckenham and New Addington.

The Croydon Tramlink would provide a desperately needed orbital connection in the south of the capital, where most existing rail lines run radial services into the centre. A start is being made with the transport links needed to connect the four boroughs more closely with the economic life of the rest of the capital but there is still a long way to go.

Living conditions are improving. (Well, that's what the residents keep telling us.)



You wouldn't want to have fallen into the Docks when Charles Dickens was a nipper.

But now the water is the cleanest it's ever been.

Every morning we fish out any debris, and once a fortnight we run a rigorous set of tests, on everything from the water's oxygen levels to its clarity and pH values.

And the cleaner the water, the healthier the fish; but it's not just the local bream that feel the area's improving. Most of the local people do too. (As an independent MORI survey showed.)

In 14 years we've built or refurbished over 25,000 homes, funded urban farms, ecological parks and miles of landscaped walkways.

There are museums to enjoy, a dry ski slope, sailing centres, shopping centres, over 150 places to eat or drink, and if your name's JR Hartley we've 3 angling clubs that might interest you.

London Docklands

development at the London Tourist Board, says the government recognises the importance of tourism as a mechanism for urban regeneration and as a way of revitalising areas that do not have the obvious attractions of the West End. In addition, areas outside central London have the potential to attract second-time round visitors who would like to see something different from their first trip. (Sixty per cent of London's tourists make repeat visits.)

The London Tourist Board and Christie and Co, the property surveyors, have also launched a campaign to stimulate hotel building, particularly in areas outside the city centre. The LTB estimates that 10,000 more rooms could be needed by 2000 to cope with growing tourist demand. The main shortage is of affordable hotels and, given the high cost of land in central London, it seems sensible to situate new hotels in areas outside the centre such as Docklands and the South Bank.

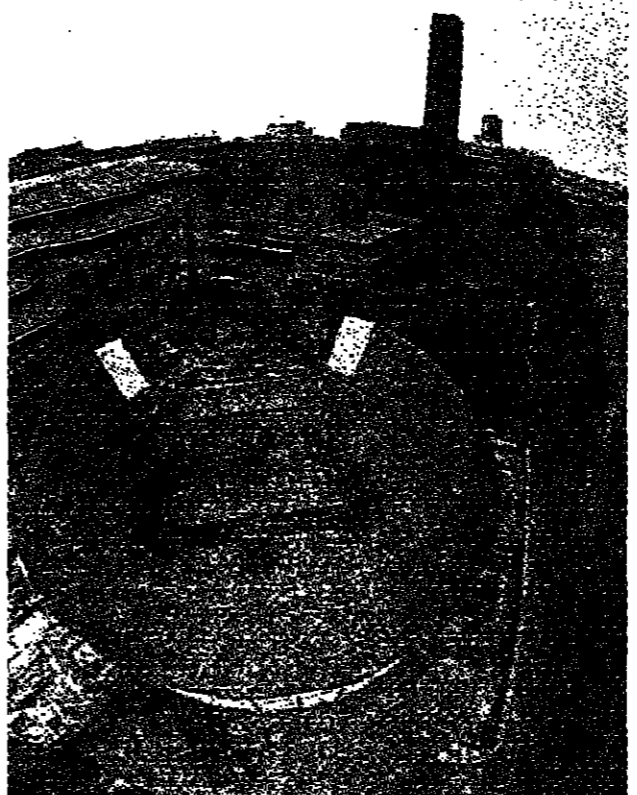
Last summer, Accor, the French hotels group, opened one of its three-star Novotel hotels near Waterloo station and Lambeth Palace, home of the Archbishop of Canterbury. Whitbread, the brewing and leisure company, last month said that it would be building two hotels in County Hall, the former home of the Greater London Council, on Westminster Bridge on the south side

of the Thames. The move was welcomed by Ms Virginia Bottomley, the National Heritage secretary, as "a vote of confidence in the efforts we are making to attract more visitors". Whitbread is developing a 200-room four-star Marriott Inn budget hotel and is also planning two other Travel Inns, one of 220 rooms at Euston and one of 150 rooms at Putney Bridge.

Mr Trevor Ward, director, BDO Hospitality Consulting, says this development will help focus attention on the south of the river as a tourist destination.

However, Mr Ward believes it will be more difficult to attract tourists to hotels in some other parts of south London. "County Hall is on the doorstep of the city centre but in other areas you'd need more than a hotel - you'd need a reason for staying there. It could be difficult to make money out of building a tourist attraction in some of these areas," he says.

The LTB's Mr Chenery disagrees. He believes there is demand for hotel accommodation in the south London boroughs and cites the Scandale Crown hotel at Nelson Dock in Southwark and the Britannia International in the Isle of Dogs in the east end as evidence. "A market exists and the scope to develop hotels in the centre is not easy," he says.



New sites: the Globe theatre and Bankside Power Station

The Financial Times plans to publish a Survey on

Kent

on Thursday, 7 March 1996.

- The FT is circulated in 160 countries worldwide, with a readership in excess of one million people.
- The Weekday FT is read by 162,000 business executives in Great Britain.
- More business executives in significant UK organisations read the FT than any other National Daily Newspaper.
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- The FT reaches more Captains of Industry in Great Britain than any other national newspaper.

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Data Sources: BBS 1995, EBRIS 1993, COI 1992

FT Surveys

COMPANIES AND FINANCE

UK NEWS DIGEST

BICC to revamp US operations

BICC, the international cables and construction company, will today announce the latest stage of its \$50m rationalisation programme with a restructuring of its US operations. The company, which last autumn warned that sluggish demand for low voltage cables would dent its 1995 profits, has drawn up plans to merge its US utility cable and industrial cable operations into a single company. About 4 per cent of BICC's 2,200-strong US workforce are expected to lose their jobs as a result of the merger, involving the closure of the Pennsylvania headquarters of BICC Industrial Cables. The move follows the announcement last November that BICC was closing its insulated cable plant at Yonkers, New York, and the Schönborn cables factory in Germany. Sluggish demand for industrial cables has persuaded other cable companies such as Delta of the UK and Alcatel Alsthom, the French transport and engineering group, to restructure their manufacturing operations. BICC said the final stages of its rationalisation would be in place by the time it announces its full year figures next month. It is expected to announce pre-exceptional profits of about \$110m, down from \$128m last time. After the \$28m rationalisation charge and a \$44m goodwill write-off on its housebuilding arm - sold last month for \$60.7m - BICC is likely to report a pre-tax loss of up to \$15m. The results are likely to be accompanied by details of BICC's ambitions in the Pacific Rim and plans for further investment in fibre optic cables. Tim Burt

Sears in talks over shoe chains

Mr Stephen Hinchliffe, the Sheffield entrepreneur who has been building up a diverse portfolio of loss-making retail and brand interests, is understood to be in early discussions with Sears over the possible purchase of the Dolcis, Saxone and Curless shoe chains. Sears is expected to elaborate on plans for the shoe chains when it makes a trading statement on Thursday. The statement is widely expected to lead to a substantial downgrade of analysts' forecasts for this year. While Selfridges is expected to announce trading improvements, business has been much tougher for the shoe shops. Sears has already indicated that it plans to accelerate the conversion of many of the high street shops to the new Shoe City and Shoe Express formats. However, it is understood to be reluctant to close those which it does not want to convert. The discussions with Mr Hinchliffe are at a very early stage. Indeed, Sears is thought not yet to have decided whether any disposals should proceed. The company has already done one deal with the Sheffield businessman, who in the last 18 months has purchased a series of loss-making businesses, including Sock Shop and Salisbury. Sears sold 260 Freeman Hardy Willis shoe shops to his company, Facia, in the autumn for an undisclosed sum. Peggy Hollinger

Ashquay transformation

Ashquay Group has completed its transformation into a property company with the sale of its Unit Pallets offshoot to two directors. The company also announced the acquisition of Hardcastle Homes, a residential property company, and a return to profits with \$35,000 pre-tax (\$130,000 losses) for the six months to September 30. The company, which changed its name from Unit Group last October, is selling the pallet manufacturer to Mr Mike March, the company secretary, and Mr William Corey for \$1.4m, of which \$1.1m is payable in cash and the balance in preference shares. Net inter-company balances of \$235,000 owing to Unit will be repaid at completion. The disposal will remove net debt of \$713,000 from Ashquay. The company reported total pre-tax losses of \$2.83m in the last three years. Hardcastle, in which three Ashquay directors have an interest, is being acquired for up to \$2.77m. Ashquay is offering 5/4 shares for each Hardcastle with a partial cash alternative of 4/4 shares plus 40p. Nigel Clark

Wimpey rejects buy-out suggestion

Wimpey, the UK's biggest housebuilder, yesterday rejected suggestions that its planned asset swap with fellow construction group Tarmac could be undermined by a rival management buy-out plan. The company said it was "surprised and annoyed" at newspaper reports of disension within the Wimpey board over the asset swap, the biggest ever realignment in the UK construction industry. It blamed "a small number of disaffected employees" for trying to "derail" the deal with Tarmac. "The board is united" in wanting to see the asset swap go ahead, Wimpey said. "It has not considered any management buy-out and nor will it do so." Under the proposed swap, Wimpey is to absorb Tarmac's housing division, taking its market share to 10 per cent and almost doubling its size in the private homes market. Tarmac will get Wimpey's contracting and quarrying businesses, reinforcing its position as the UK's biggest supplier of aggregates and coated stone. It will become the second largest building and civil engineering company with an annual construction turnover of about £1.75bn, compared with the market leader Amec's sales of £1.9bn last year. The two companies expect that due diligence work on the swap will be completed in the next 10-14 days. "We are proceeding as planned," said Wimpey. The asset swap has generally been welcomed by analysts, who say it will help the two companies to play to their traditional strengths.

Meggitt deputy chairman quits

Mr Nigel McCorkell has quit his £180,000 a year job after completing a non-core disposal programme aimed at transforming Meggitt from a diversified manufacturer into a more specialist engineering group. Although the company said Mr McCorkell had not been ousted, some City analysts suggested the "timing was not of his own choosing". He was said to be negotiating a compensation package based on a three-year rolling contract. Mr McCorkell's departure ends a long partnership with Mr Ken Coates, executive chairman at Meggitt. The two led a management buy-out of the Dorset-based group in 1984, when they left Flight Refuelling - another Dorset engineering company - to become managing director and finance director respectively. His resignation on Friday followed a management overhaul last month in which Mr Mike Stacey was promoted from group managing director to chief executive. At the time, the company said Mr McCorkell would continue as executive deputy chairman with responsibility for acquisitions and disposals. Those disposals were largely completed just before Christmas with the sale of six subsidiaries involved in analytical instrumentation and fluid processing. The non-core businesses were acquired by a management buy-out team for £25.8m; the company said that it would incur a £1.8m loss after writing £13m off goodwill on the disposals. Meggitt was said to be negoti-

ating the sale of Suovic Group, the German controls business - the last of the businesses that it has decided to divest. The disposal programme was announced last March, shortly after TT Group, the acquisitive conglomerate, acquired a 4.3 per cent stake in Meggitt. Although some analysts suggested the disposals were part of a bid defence, TT made no formal approach and subsequently sold its holding.

Severfield makes diversification

Severfield-Reeve, one of the UK's biggest structural steelwork fabricators, will today announce its first diversification, into the manufacture and marketing of equipment designed to improve standards of cleanliness in the food industry. Manabo UK, in which Severfield-Reeve has a 75 per cent stake, will make cleaning and disinfecting machines for knives and chainmail gloves, as well as the gloves themselves and knife sharpening machines. The new venture comes at a time of strong growth in the company's core business of design, fabrication and erection of structural steelwork for steel-framed buildings. Mr John Reeve, chairman, says Severfield-Reeve's trading performance in 1995 was "materially ahead" of market expectations, with pre-tax profits certain to exceed analysts' recent forecasts of £2m, up from £722,000 in 1994. Prospects for 1996 are also considerably better than could have been foreseen a few months ago. He says this will be reflected in dividends for 1995 and 1996. The 1994 total pay-out was 1p. Severfield-Reeve has emerged as one of the strongest survivors in its sector of the early 1990s recession, which removed about 250 businesses from the UK's constructional steelwork industry. It begins 1996 with a record £12m order book, including structural steelwork contracts for the new semiconductor plants being built in north-east England by inward investors Fujitsu and Siemens. Next Monday, at Severfield-Reeve's North Yorkshire site, a former Lancaster bomber base, a third production line comes on-stream, a £1.2m investment which is the company's third expansion in 18 months.



John Reeve (left) and John Severs, managing directors: 'any company must grow to remain viable'

The new line is intended to enhance efficiency and capacity at a plant which already claims to be the largest single volume producer of steelwork in the UK, and the most efficient in Europe in output per employee. Mr Reeve admits the leap from structural steelwork to food industry equipment may surprise some observers but, he says: "Any company must grow to remain viable. We are trying to broaden the company's horizons, while keeping tight control and imposing the same disciplines."

Manabo's products, intended for use in food retail premises and processing plants, have been developed in the Netherlands. Knives and chainmail gloves can be cleaned and disinfected in 10 to 20 seconds. Manabo UK will manufacture the products, for sale worldwide, from a new factory to be built at Severfield-Reeve's site. Manabo (Holland) has distribution rights in mainland Europe and Scandinavia; Manabo UK, 25 per cent owned by its managing director Mr Richard Harley and his family, will market them elsewhere.

Scottish Amicable growth

A sharp rise in single premium investment business, which more than doubled to £338m driven by the popularity of a guaranteed personal equity plan, was the main factor behind the rise in new business figures published by Scottish Amicable, the mutual life assurance group. The group's annual premium new business totalled £86.2m last year, 8.5 per cent higher than in 1994, while lump sum policy sales rose by almost half to £506.9m. Though the increase is less marked when investment business is excluded, any rise in sales of individual life and pensions policies is against the trend for the sector as a whole. Apart from investment business, the greatest growth was recorded in savings and protection policies, which rose by two thirds to £9.6m in regular premiums. Despite the sluggish state of the housing market, mortgage business rose 11 per cent to £38.1m. However, sales of both company and personal pensions were hit, with overall pensions business 13 per cent lower than in 1994 - lump sum pensions were particularly depressed.

BAA plans venture on Continent

BAA, the UK airports group which is pursuing expansion plans in the US and Australia, is set for its first venture on the European Continent with plans to take a controlling stake in the company operating Naples airport. BAA will today sign a letter of intent with Gesac, the operating company which has a concession to run the airport until 2012, indicating its interest in buying a stake of about

75 per cent. It is estimated that the deal, if it proceeds, could cost BAA in the region of \$20m. BAA said the letter of intent simply marked the opening of official negotiations with Gesac's shareholders. Gesac is 47 per cent owned by the City of Naples, 47 per cent by the province of Campania and 5 per cent by the Italian airline Alitalia. The talks were likely to continue until the middle of the year, BAA said. The UK company remains

committed to its expansion plans elsewhere. It recently concluded a deal to run Indianapolis airport, and said it expected the next international deal to emerge in the US. It is also planning to bid for one or more airports in Australia which may come up for privatisation at the end of this year. The Australian programme could mean substantial investment for BAA, in the region of up to \$300m, which could be funded through a debt issue.

CROSS BORDER M&A DEALS

Table with columns: BIDDER/INVESTOR, TARGET, SECTOR, VALUE, COMMENT. Includes deals like Hitachi/Japan/JLG Semicon, Philip Morris (US) Lacta (Brazil), Ashanti Goldfields Cluff Resources (UK), etc.

THE JAPANESE WARRANT FUND. Notice of Annual General Meeting. Shareholders are hereby convened to an Annual General Meeting to be held at the registered office of the Corporation, European Bank & Business Centre, 6, route de Trèves, L-2633 Senningerberg, Grand Duchy of Luxembourg on Wednesday 17th January 1996 at 4.00 p.m. for the purpose of considering and voting upon the following agenda: 1. Submission of the Report of the Board of Directors and of the Auditor; 2. Approval of the Annual Report for the year ended 30th September 1995; 3. Discharge of the Directors; 4. Election of Directors and Auditor; 5. Any Other Business.

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FannieMae \$400,000,000 5.375% Debentures. Dated January 10, 1996 Due January 13, 1998. Interest payable on July 13, 1996 and semiannually thereafter. Series SM-1998-X Cusip No. 31359C CC7. Callible on or after January 13, 1997. Price 99.97656 %.

ATLANTAS SICAV. Avis aux Actionnaires. L'Assemblée Générale Extraordinaire des Actionnaires est convoquée pour le 19 Janvier 1996 à 16h00 à l'adresse de son siège social.

Notice to the Holders of CANADIAN PACIFIC LIMITED. Ten 10,000,000,000 6.75% Debentures due January 23, 1996. NOTICE IS HEREBY GIVEN that, pursuant to Clause 13 (c) of the Paying Agency Agreement dated as of January 23, 1996, Canadian Pacific Limited has, with effect from December 1, 1995 (the "Transfer Date") appointed Morgan Guaranty Trust Company of New York, London as successor Principal Paying Agent for the Debentures.

Carrefour. SALES, TAXES INCLUDED AS OF DECEMBER 31, 1995. December 95 (in FF millions) 19,743. December 94 (in FF millions) 2,3. 12 months ended December 31st, 1995 (in FF millions) 164,323. % cumulated December 95/December 94 6.5. FRANCE 11,989 3.2 100,600 4.7. In December, Carrefour opened its first two stores in China: one in Beijing the 5th, the second one in Shanghai the 31st. After 24 openings during the year 95, the Group operates 245 stores in the world.

NOTICE OF EARLY REDEMPTION SECURED LOAN FINANCE NO. 1 PLC. Class A Mortgage Backed Floating Rate Notes 2018. Mezzanine Mortgage Backed Floating Rate Notes 2018. NOTICE IS HEREBY GIVEN that, pursuant to Condition 5(D) of the Terms and Conditions of the Notes, the Issuer will redeem all outstanding Notes on January 31, 1996 at their principal amount outstanding.

COMPANIES AND FINANCE

WestLB looks to London for growth

Germany's third largest bank is keen to build foreign business, writes Andrew Fisher

WestLB, Germany's third largest bank, is keen to build foreign business, writes Andrew Fisher. The bank, owned by the state of North Rhine-Westphalia and regional savings associations, is already represented in 36 countries. A third of its operating profits come from outside Germany.

To help develop its business in eastern Europe, it has recently agreed a co-operation deal with Bank Austria, which is being reinforced with a 9 per cent stake in the largest Austrian bank.

WestLB also has a co-operation pact with Cassa di Risparmio delle Province Lombarde (Cariplo), which has a similar arrangement with Bank Austria.



Friedel Neuber. Preparing for the D-Mark no longer being there

ASSETS	
	DMbn
1991	230
1992	275
1993	333
1994	379
1995	400

Source: Company accounts

Such deals look ahead to the prospect - strongly supported by Mr Neuber - of European Monetary Union, which forms an important part of the thinking behind WestLB's investment banking strategy. The German bank is strong in fixed-income D-Mark business, said Mr Neuber. "But we have to prepare for the time when the D-Mark is no longer there and a Euro-currency brings about changing trading conditions."

Under WestLB's plans, its D-Mark-based business will continue to be handled from Düsseldorf, where the strategic investment banking decisions will also be made. Foreign currency transactions will be centred on London. Mr Neuber says the bank is thereby meeting the needs of its clients, mainly big German and European companies.

Our large customers want access to such facilities through London. Thus, West Merchant Bank has developed its business in non-D-Mark bonds derivatives, equities, swaps and other instruments, as well as advising on mergers and acquisitions and new issues.

London. To build up its business specifically in asset management, Mr Neuber says acquisition is a possibility - "if a chance comes along, we shall consider it". As well as serving its customers, through amplifying its investment banking activities, WestLB also intends to enhance its profits. Mr Neuber is optimistic about investment banking earnings for 1995. "These will be considerably better than in 1994, even including our investment spending."

Overall profits are also firmer. After a first-half rise of 63 per cent in operating profits to DM472m - mostly reflecting a recovery in financial trading profits - he is also hoping for better second-half figures. In 1994, operating profits edged up 3 per cent to DM513m, helped by asset disposals.

Goldman Sachs to buy big US bowling alley chain

By Richard Waters in New York

Goldman Sachs is close to buying the US's biggest operator of bowling alleys, a deal which signals just how much Wall Street's buy-out habits have changed since the 1980s. The US investment bank is expected to announce soon, perhaps later this week, that it is paying around \$1bn for

AMF, which owns more than 200 bowling alleys in the US and 70 elsewhere. Goldman is believed to view the company as a platform for further expansion, both in the US and abroad. It was not clear last week whether only the bank's partners would put up the equity for the buy-out, or whether the purchase was being made with some of its investment clients.

The deal is in marked contrast to the sort of buy-outs that characterised Wall Street during the 1980s. Then, most buyers employed high levels of debt and planned to reorganise their acquisitions and sell them on quickly, either in whole or in pieces.

When the buy-out market collapsed at the end of the decade, a number of investment banks were left nursing big losses on bridge loans used to finance leveraged deals, leading to a general retreat from the business.

One result has been to concentrate the business in the hands of fewer institutions. Morgan Stanley, for instance - which invests its own money alongside some of its big clients - has targeted industries ranging from food processing to insurance, which it believes are short of capital and present opportunities for private buyers prepared to build on their investments.

Chrysler to continue overseas expansion

By Haig Simonian in Detroit

Chrysler, the third biggest US car company, should continue its steady but belated push beyond its home markets by selling at least 20 per cent more vehicles outside North America and Mexico this year.

Foreign sales figures for 1995 have not yet been published but Mr Tom Gale, the head of international operations, said registrations were likely to have risen almost 30 per cent to more than 200,000 units outside North America and Mexico.

Only about 10 per cent of Chrysler's total sales, amounting to 2.16m vehicles, in 1995 were sold abroad - well below the corresponding figure for General Motors and Ford. However, Mr Gale predicted that foreign registrations, which have climbed about 20 per cent a year since the group returned to foreign markets in 1988, were set to continue rising.

Last year's biggest sales increase came in Europe, where registrations jumped by 27 per cent to 84,500 units. The scale of the rise "surprised even us in view of the virtually static market", he said.

The surge stemmed from new models and a steady expansion of the company's European network. Mr Gale said Chrysler had now achieved its target of having almost 900 dealers, but there would be some changes to bring the network up to desired quality level.

Chrysler is also building a \$100m assembly plant in Argentina, to make up to 20,000 Grand Cherokees a year. Mr Gale said it was also considering setting up a plant in Brazil, where the market has been booming. The company is still some way from a decision on the Brazilian project, but indicated there could be strong demand for pick-up trucks and even medium-sized cars.

BHP wins control of Magma Copper

BHP, the Australian resources group, has won control of Magma Copper Company, the US metals producer, through a tender bid worth A\$8.2bn (US\$2.4bn). BHP said its offer of US\$28 a share for Magma had gained acceptances representing about 87 per cent of outstanding Magma stock.

BHP now plans to proceed with completion of the merger, which will require a meeting of Magma shareholders to secure approval before the Australian company can move to 100 per cent control. The Magma takeover will create the world's second largest copper producer (after Chile's CODELCO), accounting for about 10 per cent of western world output.

Merrill Lynch to cut staff

Merrill Lynch is expected to make some staff cuts in its corporate and institutional client group in the near future. However, the reductions are thought to be around 250 people, less than 1 per cent of the total workforce of more than 45,000. Merrill declined to comment. The departures are likely to be across the range of personnel in the CIG area, such as sales and trading of debt and equity, municipal bonds and investment banking.

Olivetti rights fully subscribed

Olivetti's L2.257bn (\$1.42bn) rights issue was almost fully subscribed, the Italian computer group confirmed. The company said 99.76 per cent of the offer had been taken up. The remaining 0.24 per cent would be sold on the market. The successful result was heralded by Mr Carlo De Benedetti, Olivetti's chairman, and by the markets before Christmas.

When the capital increase was announced in September, many analysts predicted the shares would end in the hands of the underwriters. Mr De Benedetti has said as much as 70 per cent of the group's capital could belong to foreign investors following the rights issue. The proceeds of the capital increase, underwritten by Lehman Brothers and a group of Italian banks, will be used to restructure and relaunch Olivetti as a broad-based information technology and telecommunications group.

German computer retailer ahead

Vobis, one of Europe's biggest computer retailers, which belongs to Germany's Kautopf group, reported a 16 per cent rise in sales to DM3.05bn (\$2.12bn) and said it expected pre-tax profits of about DM50m, similar to a year earlier. The results were significantly better than those of Escom, another German group vying with Vobis to become Europe's biggest computer retailer. Mr Theo Lieven, Vobis chief executive, described the market as difficult, but said Vobis had fared better because of "circumspect stock handling and stable financial and personnel policies".

Court thwarts CanWest bid

A British Columbia court has thrown a spanner into CanWest Global Communications' bid to create a Canadian national TV network through its proposed acquisition of Vancouver-based WIC Western International Communications. The court ruling, which resolved a long-running dispute over control of WIC, makes it impossible for CanWest to fulfil the conditions of its C\$636m (US\$470m) bid, which was due to expire on January 12.

WIC welcomed the ruling. The Griffiths family, which owns 62 per cent of WIC's class A voting shares, had rejected CanWest's bid.

The results of a combined focus on international equities.

POWERGEN

International Offer

295,284,000 shares to raise £1.5 billion

Joint Global Co-ordinator and Joint Bookrunner

March 1995 UK

FINNAIR

International Offer

12,000,000 shares to raise FIM 420 million

Global Co-ordinator and Bookrunner

1995 Finland

SOL CARBON AG

International Offer

5,616,255 shares to raise DEM 308.9 million

Global Co-ordinator and Bookrunner

April 1995 Germany

adidas

International Offer

31,395,000 shares to raise DM 2.1 billion

Joint Global Co-ordinator and Joint Bookrunner

September 1995 Germany

FOKUS Bank

International Offer

63,000,000 shares to raise NOK 1.8 billion

Joint Lead Manager and Joint Bookrunner

September 1995 Norway

SCANDINAVIAN MOBILITY

International Offer

5,382,000 shares to raise DKK 635 million

Global Co-ordinator and Bookrunner

1995 Denmark

TLG plc

International Offer

57,500,000 shares to raise US\$138 million

Joint Lead Manager and Joint Bookrunner

1995 Austria

NATIONAL POWER

International Offer

464,308,000 shares to raise £2.2 billion

Joint Global Co-ordinator and Broker

March 1995 UK

MERCK

International Offer

45,000,000 shares to raise DM 2.4 billion

Joint Global Co-ordinator and Joint Bookrunner

October 1995 Germany

MOL

International Offer

18,500,000 Global Depository Shares to raise HUF 20.4 billion

Joint Global Co-ordinator and Joint Bookrunner

November 1995 Hungary

AMS

International Offer

500,000 shares to raise ATS 770 million

Joint Global Co-ordinator

December 1995 Austria

Telefonica

International Offer

100,552,000 shares to raise PTA163.1 billion

UK Joint Lead Manager and Joint Bookrunner

September 1995 Spain

BT Industries

International Offer

10,306,546 shares to raise SEK 793.6 million

Global Co-ordinator and Bookrunner

November 1995 Sweden

In an increasingly competitive environment, the only winners in the world of investment banking will prove to be those who can genuinely offer added value to all their clients.

That's why Dresdner Bank - Kleinwort Benson joined forces in international equities.

Dresdner Bank - Kleinwort Benson is now able to offer clients better opportunities and a greater range of products.

We offer a combination of focused expertise with international excellence in distribution.

Backed by the premier capital strength of the Dresdner Bank Group, Dresdner Bank - Kleinwort Benson has created a formidable partnership which is already a leader in international equities.

Dresdner Bank

Kleinwort Benson

Issued by Kleinwort Benson Limited, regulated by SFA. **We're focused.**

EMERGING MARKETS

HK: gateway to China Taiwan hopes for sunshine after the rain

By Louise Lucas in Hong Kong

Hong Kong may not be an emerging market in every body's book but it is certainly acting like one.

The classic signs of a bull market are clear to see. On Thursday and Friday of last week daily volumes reached six and eight month highs of HK\$9.7bn and HK\$9.5bn respectively.

For many fund managers Hong Kong, which gained 23 per cent during the course of last year and a further 4.5 per cent in the first week of 1996, is the suitably sanitised and internationalised way to play China.

In July next year, when sovereignty passes to China, Hong Kong will again become an emerging market by more conventional reckonings: as part of China (albeit with a high degree of autonomy) for the first 50 years its GDP per capita, currently higher than that of Australia, will decline considerably.

John Ross, portfolio strate-

gist for Fidelity Investments in the UK, is one fund manager who uses Hong Kong to access China growth.

Some believe last week's rise was no more than the traditional rally up to Chinese new year on February 19. Thereafter, they predict the big flows of money will be absorbed by less developed Asian markets.

Others, like Jardine Fleming Securities, are more bullish. Colin Bradbury, the regional strategist, reckons last year's outperformance may continue for at least the first half of 1996.

China's credit squeeze hit Hong Kong companies which sold less consumer goods and were unable to proceed with infrastructure projects because of the dearth of Beijing awarded guarantees.

Optimism for a strong performance this year has also been bred by hopes of a lower interest rate environment, which would kick-start the sluggish property and retail sectors.

John Ross, portfolio strate-

By Laura Tyson in Taipei

Investors hoping the new year would usher in a better performance in the stock market than last year's abysmal showing met severe disappointment.

Equities began the year with a precipitous plunge as investors took fright after parliament unexpectedly reinstated a capital gains tax late last week.

On Friday the market fell more than 6 per cent although it recovered slightly on Saturday.

The news is not likely to get much better during the first half of the year. The market will be at the mercy of political and economic woes.

There is another factor, which stands to be the making or breaking of the market this year: the resumption of sovereignty by China.

Mr Bradbury sees 1997 as another plus: "This constant nagging worry has depressed the value of the Hong Kong market and there's a whole constituency of investors out there waiting to be converted to the view that perhaps 1997 is not a bad thing for Hong Kong."

By Mark Nicholson in New Delhi

Last year was no vintage for Indian equities. By December the Bombay 30-share Sensex index was a fifth off its 1995 high, scaled in January, and more than third lower than its record peak of 4,643 of September 1994.

It was a year of depressants and scandal. After the primary market binge of 1994, fed by an enthusiastic rush of newly arriving foreign portfolio investment, the market became overhung

with scrip and dogged by political uncertainty over the outcome of this year's general election.

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By Philip Gawith

India's economy is mired in a slump, despite solid growth in manufacturing and exports.

Historically the ruling Nationalist party, or Kuomintang (KMT), has been able to employ a variety of levers to share prices at crucial junctures but its ability to exert this sort of influence

effectively is weakening. Nowhere is this reflected more clearly than in parliament. The Nationalists have control of the legislature, allowing the party to push controversial legislation through parliament.

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India poised to overcome depressants

By Mark Nicholson in New Delhi

Last year was no vintage for Indian equities. By December the Bombay 30-share Sensex index was a fifth off its 1995 high, scaled in January, and more than third lower than its record peak of 4,643 of September 1994.

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India's economy is mired in a slump, despite solid growth in manufacturing and exports.

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CURRENCY MARKETS

Focus on Washington politics

The dollar is the story and the game is being played out in Washington DC. After a promising start to the year, a dollar rally ran out of steam at the end of last week amid heightened uncertainty about the ongoing political wrangling over the US budget.

Most analysts and investors are bullish, with good reason, about the dollar, but it is by no means one way traffic. Traders report active two-way business, and there are certainly some natural dollar sellers, such as Japanese exporters. There

were also reports last week of French and German companies being heavy sellers of dollars, while the two largest macro hedge funds were seen on opposite sides of the market.

With the release of government data in some disarray owing to the partial government shut-down, the budget dispute may take on an even greater importance than it might otherwise have done. At the moment the market is clearly of the view that progress on the budget is good for the dollar, while further delay

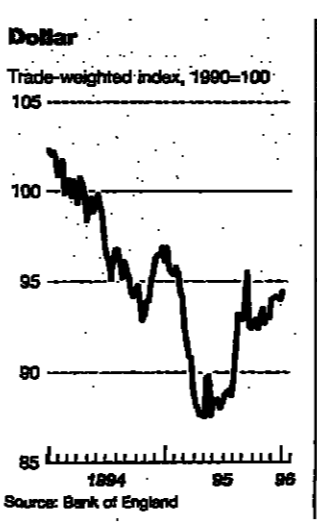
can only retard any rally. It is possible that the dollar could continue to make ground against the yen, while standing still against the D-Mark.

Japan's declining trade surplus and portfolio outflows are both factors which support a stronger dollar. Some observers also believe that the likely election of Mr Ryutaro Hashimoto as the new prime minister will be negative for the yen.

In the summer he was quoted calling for a weaker yen, around Y100-110. The progress of the US budget talks will have a big influence on how European currencies perform.

A backdrop of slowing economic growth and the perception that the D-Mark is overvalued had led many investors to buy higher yielding currencies like the lira, peseta and Swedish krona. The durability of these currencies' rallies comes into question, though, when dollar weakness buoy the D-Mark.

ING Baring Securities Emerging Markets Indices



ING Baring Securities Emerging Markets Indices

Table with columns: Index, 5/1/96, Week on week movement, Month on month movement, Year to date movement. Lists various emerging market indices like World (301), Latin America, Europe, Asia, etc.

FT GUIDE TO WORLD CURRENCIES

Large table listing exchange rates for various currencies against the US Dollar, including Africa, Asia, Europe, Latin America, Middle East, Oceania, and Eastern Europe.

We take pleasure in announcing that the following have been elected Managing Directors

- List of names and titles of Managing Directors, including Gerard Pasquino, Riccardo Paooncelli, John E. Westerfield, etc.

Source: Reuters, January 4, 1996. The table below gives the latest available rates of exchange (rounded) against four key currencies on Friday, January 5, 1996.

Do you have an outstanding claim against Coopers & Lybrand? Do you have a Paramount claim against Cork Gully? Would you be prepared to appear in a TV documentary about Paramount claims?

Do you have an outstanding claim against Coopers & Lybrand? Do you have a Paramount claim against Cork Gully? Would you be prepared to appear in a TV documentary about Paramount claims?

Advertisement for Mitsui Fudosan Co., Ltd. regarding floating rate notes due July 1997.

Advertisement for Banco Central del Uruguay regarding New Money Notes Due 2006.

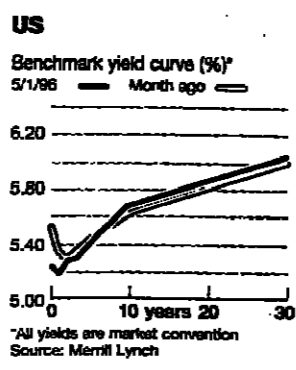
Advertisement for SIGMA SECURITIES S.A. regarding Athens Stock Exchange.

Advertisement for MORGAN STANLEY regarding Greece market data.

WORLD BOND MARKETS: This Week

NEW YORK Maggie Urry

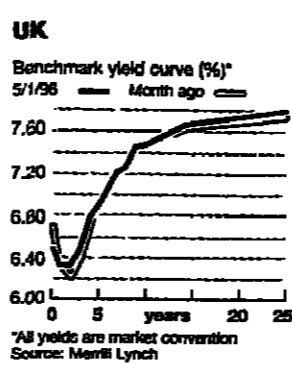
Having broken through the 6 per cent barrier the previous week, the yield on the 30-year Treasury moved back above that psychologically important level as budget talks in Washington descended into squabbling.



A low point in the wrangling was reached on Thursday when one Republican raised the possibility of impeaching Mr Robert Rubin, the Treasury Secretary.

LONDON Antonia Sharpe

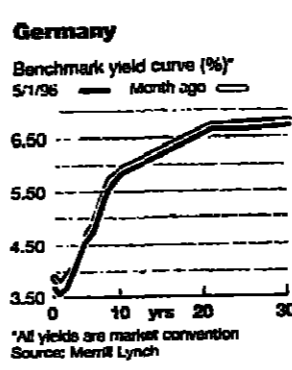
After the political jitters last week following the defection of Tory MP Miss Emma Nicholson, gilts are set to trade modestly higher this week.



The Bund future just failed to break through 100 per cent, ending the day above the 95.40 level. But dealers expect the advance to be resumed.

FRANKFURT Andrew Fisher

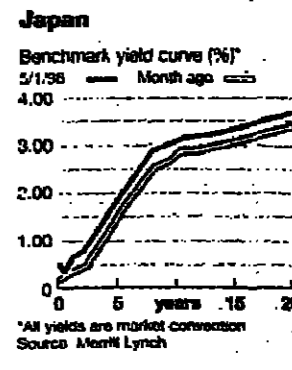
The German bond market was ruffled on Friday by the resignation of Russian foreign minister Mr Andrei Kozyrev and continuing doubts about the US budget impasse.



This week is also expected to see a return to variable-rate securities repurchase (repo) tenders by the Bundesbank.

TOKYO Emiko Terazono

The yen's weakness and stronger stock prices, which pushed the long bond yield above the 3 per cent level for the first time in four months last week, are expected to continue to weigh on the government bond market.



once a month, causing worries about over-supply. Political developments, with the premiership being handed to Mr Ryutaro Hashimoto, the leader of the Liberal Democratic Party, are expected to be minimal.

Syndicated loans

Banks in search of higher yielding deals

With bank loan interest rates at their lowest for many years, and not seen rising in the short term, dealers in the international syndicated loans market are gearing up for another busy year.

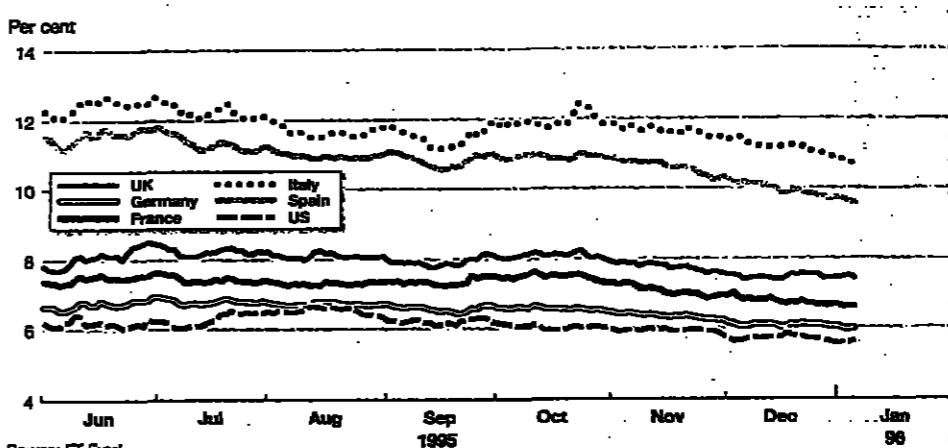
He expected competition among lenders to keep loan rates down, "unless some extraneous shock forces them up".

fruition, with most of them demonstrating their firm commitment to the market in recent months.

for Railtrack, the company which has taken over British Rail's track, stations and signalling and is to be floated on the stock market in May.

Westdeutsche Landesbank, has attracted heavy demand and is expected to be increased to £250m.

10-year benchmark bond yields



INTEREST RATES AT A GLANCE

Table with columns for Interest Rates (Discount, Overnight, Three month, One year, Five year, Ten year) and rows for USA, Japan, Germany, France, Italy, UK.

US TREASURY BOND FUTURES (CBT) \$100,000 \$2nd-of-100%

Table with columns for Open, Set price, Change, High, Low, Est. vol, Open Int. and rows for Mar, Jun, Sep.

Acquisitions Monthly presents A MAJOR NEW CONFERENCE ON Acquiring in Asia The M&A market of the future. 22 and 23 February 1996 London Marriott Hotel Grosvenor Square, London W1.

Emerging market debt

Brady bonds buoyed by US funds

Supported by flows of capital from US funds and the positive tone of the US Treasury market, the Brady bond market has begun the new year strongly, building on the bull run begun late last year.

"Persistent high spreads should provide a substantial cushion to changes in the technical factors," noted Mr Peter West, economic adviser to West Merchant Bank.

Looking ahead, there are a number of other reasons to be positive about Bradys. High real interest rates have made local currency bonds issued by Brazil and Russia particularly attractive for investors.

Finally, emerging bond markets have become both more diversified and more liquid over the last year, encouraging investors to retain longer-term positions.

NEW INTERNATIONAL BOND ISSUES

Table with columns for Borrower, Amount, Maturity, Coupon, Price, Yield, Launch, and Bank name. Lists various international bond issues.

WORLD STOCK MARKETS

Table of world stock markets including Europe, Asia, and other regions. Columns include country, stock name, price, and change.

Rockwell supplies virtually every European car manufacturer with automotive components and systems. Includes Rockwell logo and contact information.

Table of stock market indices for various countries like Australia, Belgium, Canada, Denmark, Finland, France, Germany, Greece, Italy, Japan, Korea, Malaysia, New Zealand, Singapore, South Africa, Taiwan, Thailand, UK, and USA.

Table of stock market indices for various countries including Australia, Belgium, Canada, Denmark, Finland, France, Germany, Greece, Italy, Japan, Korea, Malaysia, New Zealand, Singapore, South Africa, Taiwan, Thailand, UK, and USA.

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Table of US indices including Dow Jones, S & P 500, and other market indicators.

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Index futures, US indices, and other market data. Includes a section for 'FREE ANNUAL REPORTS SERVICES'.

CURRENCIES AND MONEY

POUND SPOT FORWARD AGAINST THE POUND

Table showing POUND SPOT FORWARD AGAINST THE POUND with columns for currency, bid/offer, and forward rates for various countries like Australia, Belgium, Denmark, etc.

DOLLAR SPOT FORWARD AGAINST THE DOLLAR

Table showing DOLLAR SPOT FORWARD AGAINST THE DOLLAR with columns for currency, bid/offer, and forward rates for various countries like Australia, Belgium, Denmark, etc.

WORLD INTEREST RATES

Table showing WORLD INTEREST RATES with columns for money rates, LIBOR FT London, and EURO CURRENCY INTEREST RATES.

CROSS RATES AND DERIVATIVES

EXCHANGE CROSS RATES

Table showing EXCHANGE CROSS RATES with columns for currency, bid/offer, and exchange rates for various countries.

FT GOLD MINES INDEX

Table showing FT GOLD MINES INDEX with columns for gold mines index, price, and volume.

THREE MONTHS EURO CURRENCY (DEM) 31m points of 100%

Table showing THREE MONTHS EURO CURRENCY (DEM) 31m points of 100% with columns for date, price, and volume.

LONDON RECENT ISSUES: EQUITIES

Table showing LONDON RECENT ISSUES: EQUITIES with columns for issue name, price, and volume.

UK INTEREST RATES

LONDON MONEY RATES

Table showing LONDON MONEY RATES with columns for rate type and interest rate.

FT GUIDE TO WORLD CURRENCIES

Text providing information about the FT Guide to World Currencies, including contact details for the publisher.

UK PHILADELPHIA SEC 2/5 OPTIONS

Table showing UK PHILADELPHIA SEC 2/5 OPTIONS with columns for date, price, and volume.

BANK OF ENGLAND TREASURY BILL TENDER

Table showing BANK OF ENGLAND TREASURY BILL TENDER with columns for date, amount, and interest rate.

BANK RETURN

Table showing BANK RETURN with columns for department, liability, and assets.

BASE LENDING RATES

Table showing BASE LENDING RATES with columns for bank name and interest rate.

UK GILTS PRICES

Table showing UK GILTS PRICES with columns for date, price, and volume.

Other Fixed Interest

Table showing Other Fixed Interest with columns for instrument name and interest rate.

STOCK INDICES

Table showing STOCK INDICES with columns for index name and value.

The Top Opportunities Section

Text advertising The Top Opportunities Section, highlighting investment opportunities.

FAST 64 KBIT SATELLITE TECHNOLOGY advertisement for real-time data and foreign exchange services.

FUTURES & OPTIONS BERKELEY FUTURES LIMITED advertisement for trading services.

FUTURES AND OPTIONS TRADING advertisement for clearing and execution services.

HOW TO SUGGEST OR CRASH BACK YOUR VIEW advertisement for market analysis.

MURFACE advertisement for futures and options trading.

Market-Eye advertisement for real-time equities, futures, and options.

WANT TO KNOW A SECRET? advertisement for gas trading techniques.

24HR FOREX advertisement for 24-hour foreign exchange trading.

TREND ANALYSIS LTD advertisement for daily analysis and trading recommendations.

SOVEREIGN (FOREX) LIMITED advertisement for 24-hour margin trading.

Table with columns for price, volume, and other market data.

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LONDON SHARE SERVICE

ALCOHOLIC BEVERAGES

Table listing companies in the Alcoholic Beverages sector, including names like Diageo, Heineken, and Carlsberg, along with their share prices and market movements.

BUILDING MATS. & MERCHANTS - Cont.

Table listing companies in the Building Materials & Merchants sector, including names like Bunnings, Wickes, and Homebase.

ELECTRONIC & ELECTRICAL EQPT - Cont.

Table listing companies in the Electronic & Electrical Equipment sector, including names like Philips, Philips Electronics, and Philips Consumer Electronics.

EXTRACTIVE INDUSTRIES - Cont.

Table listing companies in the Extractive Industries sector, including names like Anglo American, Anglo Coal, and Anglo Platinum.

HOUSEHOLD GOODS - Cont.

Table listing companies in the Household Goods sector, including names like Hoover, Hoover Group, and Hoover Group PLC.

INVESTMENT TRUSTS - Cont.

Table listing investment trusts, including names like British American Tobacco, British American Tobacco Investment Trust, and British American Tobacco Investment Trust.

BANKS, MERCHANT

Table listing banks and merchant companies, including names like HSBC, Citibank, and Citibank.

CHEMICALS

Table listing companies in the Chemicals sector, including names like ICI, ICI, and ICI.

BANKS, RETAIL

Table listing banks and retail companies, including names like HSBC, Citibank, and Citibank.

DISTRIBUTORS

Table listing distributor companies, including names like Bunnings, Wickes, and Homebase.

ENGINEERING

Table listing companies in the Engineering sector, including names like BAE Systems, BAE Systems, and BAE Systems.

BREWERIES, PUBS & REST

Table listing companies in the Breweries, Pubs & Restaurants sector, including names like Diageo, Heineken, and Carlsberg.

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BUILDING & CONSTRUCTION

Table listing companies in the Building & Construction sector, including names like Bovis Lend Lease, Bovis Lend Lease, and Bovis Lend Lease.

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BUILDING MATS. & MERCHANTS

Table listing companies in the Building Materials & Merchants sector, including names like Bunnings, Wickes, and Homebase.

ELECTRICITY

Table listing companies in the Electricity sector, including names like British Energy, British Energy, and British Energy.

ENGINEERING, VEHICLES

Table listing companies in the Engineering & Vehicles sector, including names like BAE Systems, BAE Systems, and BAE Systems.

ELECTRONIC & ELECTRICAL EQPT

Table listing companies in the Electronic & Electrical Equipment sector, including names like Philips, Philips, and Philips.

EXTRACTIVE INDUSTRIES

Table listing companies in the Extractive Industries sector, including names like Anglo American, Anglo Coal, and Anglo Platinum.

HOUSEHOLD GOODS

Table listing companies in the Household Goods sector, including names like Hoover, Hoover, and Hoover.

Small text at the bottom of the page, likely a disclaimer or footer information.

LONDON SHARE SERVICE

BY TRUSTS SPLIT CAPITAL - Cont.

Table listing various trusts and their financial details, including names like 'Crestone Trust' and 'Crestone Trust II'.

LEISURE & HOTELS - Cont.

Table listing leisure and hotel companies such as 'Aston Hotels', 'Crestone Hotels', and 'Hilton Hotels'.

OTHER FINANCIAL - Cont.

Table listing other financial services and companies like 'Axa Insurance' and 'Crestone Insurance'.

PROPERTY - Cont.

Table listing property-related companies and their financial data.

SUPPORT SERVICES - Cont.

Table listing support services companies such as 'Aston Services' and 'Crestone Services'.

AIM - Cont.

Table listing companies on the Alternative Investment Market (AIM).

OTHER INVESTMENT TRUSTS

Table listing other investment trusts and their performance metrics.

INVESTMENT COMPANIES

Table listing investment companies and their financial details.

OIL EXPLORATION & PRODUCTION

Table listing oil exploration and production companies like 'Aston Oil' and 'Crestone Oil'.

OIL, INTEGRATED

Table listing integrated oil companies.

OTHER FINANCIAL

Table listing other financial companies.

LEISURE & HOTELS

Table listing leisure and hotel companies.

PAPER, PACKAGING & PRINTING

Table listing paper, packaging, and printing companies.

PHARMACEUTICALS

Table listing pharmaceutical companies.

RETAILERS, FOOD

Table listing food retailers.

RETAILERS, GENERAL

Table listing general retailers.

TELECOMMUNICATIONS

Table listing telecommunications companies.

TEXTILES & APPAREL

Table listing textiles and apparel companies.

TOBACCO

Table listing tobacco companies.

TRANSPORT

Table listing transport companies.

WATER

Table listing water utility companies.

SUPPORT SERVICES

Table listing support services companies.

AMERICANS

Table listing American companies.

CANADIANS

Table listing Canadian companies.

SOUTH AFRICANS

Table listing South African companies.

GUIDE TO LONDON SHARE SERVICE

Prices for the London Share Service... Company classifications are based on those used for the FT-SE 100 Index... Symbols used in the tables...

FT Free Annual Reports Service

You can obtain the current annual/interim report of any company... FT Free Annual Reports Service.

FT Company Focus

Comprehensive 10-14 page report available on this company... FT Company Focus.

FT Cityline

For up-to-the-second share prices call FT Cityline... FT Cityline.

MAPPIN & WEBB advertisement featuring a Rolex watch. Text includes 'Champagne-proof to 330 feet.' and 'Rolex Oyster Day-Date'.

FT MANAGED FUNDS SERVICE

FT Cityline Unit Trust Prices: dist 0691 430010 and key in a 5 digit code listed below. Calls are charged at 38p/minute cheap rate and 49p/minute at all other times. International access available by subscription only. For more details call the FT Cityline Help Desk on (+44 171) 873 4378.

Main table containing fund names, prices, and other financial data. Includes sections for 'OTHER OFFSHORE FUNDS' and 'OFFSHORE INSURANCES'.

MANAGED FUNDS NOTES
Prices are in sterling unless otherwise stated and are based on the latest available information. All prices are in sterling unless otherwise stated. Prices are shown in sterling unless otherwise stated. Prices are shown in sterling unless otherwise stated.

1 pm close January 5

NEW YORK STOCK EXCHANGE COMPOSITE PRICES

Main table of stock prices with columns for stock name, price, change, and volume. Includes sections for NYSE, NASDAQ, and various market indices.

BE OUR GUEST Sheraton Aerogolf HOTEL When you stay with us in LUXEMBOURG stay in touch with your complimentary copy of the FINANCIAL TIMES

Continued on next page

4 pm close January 5

NYSE COMPOSITE PRICES

Table of NYSE Composite Prices listing various stocks with columns for stock name, price, and change.

NASDAQ NATIONAL MARKET

4 pm close January 5

Table of NASDAQ National Market listing various stocks with columns for stock name, price, and change.

AMEX COMPOSITE PRICES

4 pm close January 5

Table of AMEX Composite Prices listing various stocks with columns for stock name, price, and change.

Advertisement for Warsaw Financial Times, featuring the headline 'Have your FT hand delivered in Warsaw' and contact information.

Continuation of NASDAQ National Market listing from the previous page.

FT GUIDE TO THE WEEK

MONDAY 8

British poll on EU

The European Movement publishes an opinion poll on UK sentiment towards the European Union and European monetary union. The poll tests understanding of the single currency debate and attitudes towards the different routes the UK might take. It is expected to show people remain sceptical about full membership.

CSU holds congress

The Christian Social Union, based in Bavaria and the conservative sister party of Chancellor Helmut Kohl's Christian Democratic Union, starts its New Year congress. High on the agenda will be European monetary union as well as calls to reduce German taxation and cut back state spending. The CSU will also warn it will not support a grand coalition embracing Bavaria's governing party, the CDU, and the opposition Social Democrats. Mr Kohl cannot afford to isolate the CSU given his slim majority in the Bundestag and the weakness of the Free Democrats, his coalition partners.

Chretien leads trade tour

Canada's prime minister, Jean Chretien, senior trade officials and 250 businessmen embark on an 11-day tour to India, Pakistan, Indonesia and Malaysia. Mr Chretien's "team Canada" trade mission, the third in just over a year, follows lucrative visits to Latin America and China.

Looks a lot like Che Guevara

The hunt for the remains of Che Guevara, the revolutionary who fought alongside Fidel Castro in Cuba before being shot dead by the CIA and Bolivian army, resumes in southern Bolivia. The search for the 1960s icon, after whom a beer has been named in Britain, started after two retired generals said he was buried near the village of Vallegrande. The discovery of unidentified human bones and a skull has excited the local tourist industry, with the mayor planning to rebury Guevara in a potentially money-spinning mausoleum.

FT Survey

The Revitalisation of South London.

Holidays

Colombia, Moldova, Puerto Rico, Russia, Ukraine.

TUESDAY 9

UK parliament back

MPs return after their Christmas recess for a Commons session likely to be dominated by speculation about an early general election and the erosion of the



Ryutaro Hashimoto, leader of the Liberal Democratic party, hopes to win enough support to take over from Tomichi Murayama as Japan's prime minister

shrinking majority of John Major, the prime minister. Among the pitfalls awaiting the government will be rail privatisation and the publication, probably in February, of the much-delayed final report of the Scott inquiry into arms sales to Iraq in the 1980s.

the National Alliance, which wants a snap general election.

Granada deadline for Forte

Today is Granada's deadline for raising its £3.5bn hostile offer for Forte, Britain's largest hotels company. The bid was launched in November and if successful would be one of the country's biggest deals this decade. The television and leisure company is offering four new shares plus £2.25 in cash for every 15 Forte shares, worth 325p a share at the weekend's close. There is a fully underwritten cash alternative of \$21.67p.

Forte has mounted a robust defence including proposals to sell off its stake in the Savoy group of hotels. It also intends to buy back up to 200m of its shares and increase the dividend for four consecutive years if the bid fails.

Clarke visits Brazil

Kenneth Clarke, the UK's chancellor of the exchequer, visits Brazil for the first time to find out more about its privatisation programme. Mr Clarke will meet the president, Fernando Henrique Cardoso and the finance minister, Pedro Malan. He will travel with bankers and representatives from the UK's privatised utilities and visit Brasilia, Sao Paulo and Rio de Janeiro. Although Brazil's privatisation programme has started slowly, it is potentially one of the largest in the developing world.

The government hopes soon to sell some mining, electricity and telecommunications holdings.

Sailing

Star class world championships, Rio de Janeiro, Brazil (to Jan 21).

Holidays

Panama.

WEDNESDAY 10

Christopher in Israel

Warren Christopher, US secretary of state, arrives in Israel on his sixteenth Middle East shuttle to push ahead talks between Israel and Syria. Mr Christopher's visit comes amid intense Israeli-Syrian negotiations after two rounds of talks in Washington. Mr Christopher will try to nudge both sides towards a peace agreement focused on Israeli withdrawal from the occupied Golan Heights in return for full peace. Hopes are high Mr Christopher may persuade them to upgrade their representation to foreign minister level and nail down a timetable for negotiations between working groups.

Saleroom

More than 100 works of art belonging to the late Sir John Pope-Hennessy will be sold at Christie's, New York. "The Pope", as he was nicknamed, was the commanding figure in the British cultural world of the 1960s and 1970s, when director of the Victoria and Albert Museum and then the British Museum. Most items reflect his love of the Italian Renaissance. "The Baptism of Christ" by Mola, bought for a few pounds in 1946, is on offer and expected to make about \$120,000 (£78,000).

King Hussein in Israel

King Hussein of Jordan makes his first official state visit to Israel. After a ceremony in northern Israel honouring Israeli and Jordanian peace negotiators, he will visit the Tel Aviv site where Yitzhak Rabin, the former prime minister, was assassinated. The King's visit marks a further step in the consolidation of relations between Israel and Jordan. It clears the way for the conclusion of the bilateral agreements needed to normalise economic, transport and cultural relations.

UN General Assembly jubilee

After a year in which the United Nations' golden jubilee celebration helped to promote New York as the self-proclaimed "capital of the world", London hosts a more modest event marking the 50th anniversary of the first session of the UN General Assembly. Attended by representatives of the 51 member states that formed the UN - today there are 185 - the inauguration was in Westminster Central Hall, the national headquarters of the Methodist church, which was displaced in order for the UN to be near parliament. Boutros Boutros-Ghali, the UN's sixth secretary general, will attend the commemoration at the same hall.

THURSDAY 11

Voting for Japan's new PM

A special session of the Japanese parliament will choose a new prime minister to succeed Tomichi Murayama. The favourite is Ryutaro Hashimoto, the leader of the Liberal Democratic party, the largest member of the current coalition. Mr Hashimoto's chance of success has been enhanced after yesterday's agreement by the leaders of Japan's three ruling coalition parties to endorse him. The coalition accord, which was made possible by a series of compromises by the LDP, also includes the new government's policy manifesto.

Bouchard to lead Quebec

Riding a wave of popularity in Quebec after Canada's independence referendum, Lucien Bouchard is expected to be the only contestant for the leadership of the Parti Québécois, Quebec's ruling party, for which applications close today. Mr Bouchard, 57, turned around the separatist campaign in the referendum from disaster into a very near win. Just before Christmas he resigned from federal politics to return to Quebec, where a March by-election should give him a seat in the Quebec National Assembly and enable him to be sworn in as premier of Canada's only French-speaking province.

Holidays

Aruba, Brazil, Morocco, Nepal.

FRIDAY 12

Age of Aquarius

The Age of Aquarius, long awaited by astrologers and celebrated in the rock

musical *Hair*, is ushered in when the planet Uranus enters its sign of Aquarius. Astrologers promise major developments.

Mastering Management

The FT's 20-part series continues in the UK edition with part 10. Non-UK readers can take out a subscription. Contact: PO Box 384, Sutton, Surrey, SM1 4XE, UK. Tel: +44 181 770 9772, Fax: +44 181 643 7830.

Holidays

Myanmar, Tanzania, Turkmenistan.

SATURDAY 13

Pope delivers annual address

Pope John Paul receives ambassadors accredited to the Vatican and delivers his yearly "state of the world" address.

Horse racing

Ladbroke Handicap Hurdle, Leopardstown, Ireland. Victor Chandler Handicap Chase, Ascot, England.

Rugby league

Regal Trophy final, Huddersfield, England.

Holidays

Monaco.

SUNDAY 14

Sampaio enters election

Jorge Sampaio, a former Socialist party leader and mayor of Lisbon, enters Portugal's presidential election with a big lead in the polls over his main adversary, Anibal Cavaco Silva. Mr Sampaio's popularity is believed to reflect a desire to give social and cultural issues more prominence after a era in which the governments of Mr Cavaco Silva, the former prime minister, focused on infrastructure, privatisation and the economy. Mr Cavaco Silva's decade as prime minister ended in October when the Socialists defeated his centre-right Social Democrats in a general election.

Weizmann in Germany

Ezer Weizmann, the president of Israel, begins his first state visit to Germany (to Jan 16). He will meet Roman Herzog, the president - who travelled to Israel in December 1994 - attend ceremonies at a former concentration camp in Brandenburg, hold a public debate in Berlin and visit Saxony and Lower Saxony.

Cycling

British cyclocross championships, Sutton Park, near Birmingham.

Compiled by Simon Strong. Fax: (+44) (0)171 873 3194.

Other economic news

Tuesday: In the aftermath of the Christmas and New Year holidays, and the US government shut down, there will be only a limited supply of economic data to watch this week.

In Germany, December's unemployment figures are expected to show a continued rise in both west and east German unemployment.

In Spain, October's industrial production is expected to show some fairly healthy year on year growth, although economists predict that the increase could be anything from 1.5 per cent to 6.4 per cent.

Wednesday: Data on the UK's visible trade balance is expected to show a further widening of the deficit in October.

Thursday: Inflation data in France is expected to show a small month on month fall in December, leaving the yearly inflation rate unchanged.

In Germany the publication of eagerly awaited GDP data is likely to show that the pan-German economy expanded by about 2 per cent last year, although analysts expect that the fourth quarter was extremely weak.

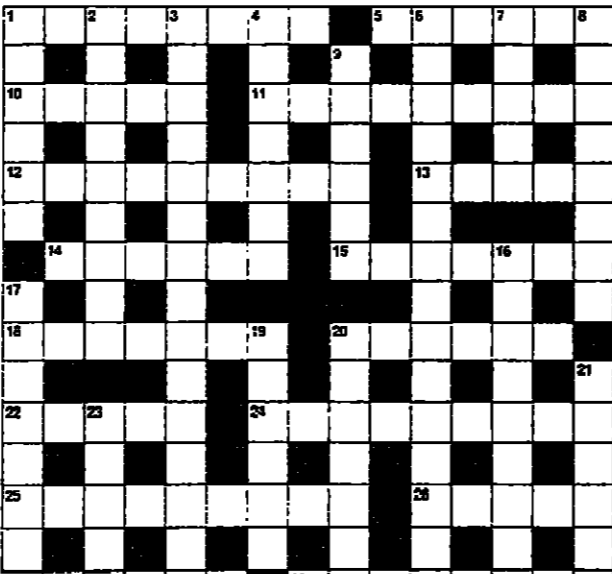
UK manufacturing is likely to have shown minimal year on year growth in November.

Statistics to be released this week

Table with columns: Day Released, Country, Economic Statistic, Median Forecast, Previous Actual. Lists various economic indicators for multiple countries.

- ACROSS 1 Quality of uncoated hospitality (8) 5 A minor tax (6) 10 Cultivate sex appeal and a figure (5) 11 Quite composed and skilled, to be fair (9) 12 A nuclear physicist who does dissecting (9) 13 Part of a flag, one shot to pieces (6) 14 Reformed ladies show the highest standards (6) 15 Old flame-coloured match-head in dug out (7) 16 A deerstalker's comedown (7) 20 Still used as a name for a U.S. lake (6) 22 Place to rest up for Joey on the way (5) 24 He doesn't complain if he gets a beating (4,5) 25 Somewhat eccentric rest home? (3,6) 26 Relation working in EEC (5) 27 Presumably he had a good reason for being late (8) 28 Drink I put down before going out (8)

- DOWN 1 French preposition in oral test (6) 2 A Briton around Greenland (8) 3 Gamble on race - a chance to win lots of money (8,7) 4 Kind of gamble is without point (7) 6 Strike teacher, get punishment and feature in the papers (3,3,9) 7 Teacher taking part in Arab bicentenary celebration (8) 8 There's a regular stream at day's end (8) 9 A loose nickname for the BBC (6) 16 The means I contrived to control the sail (9) 17 Textile manufacturer's bequest to his son? (8) 19 Litter container (6) 20 Though versatile, takes only one part (7) 21 Are such blocks used for building wind breaks? (8) 23 Bid for a chest without a top (5)



MONDAY PRIZE CROSSWORD No.8,961 Set by DANTE

A prize of a Pelikan New Classic 380 fountain pen for the first correct solution opened and five runner-up prizes of £25 Pelikan vouchers will be awarded. Solutions by Thursday January 18, marked Monday Crossword 8,961 on the envelope, to the Financial Times, 1 Southwark Bridge, London SE1 9HL. Solution on Monday January 22. Please allow 28 days for delivery of prizes.

Name: _____ Address: _____

JOTTER PAD



Tiffany & Co. advertisement featuring a necklace and earrings. Text: 'Start with a Strand of Tiffany Pearls. This is the foundation of a woman's jewellery wardrobe. Necklace with Tiffany Signature clasp in eighteen carat gold from £1,275. Earrings from £105. TIFFANY & Co. SINCE 1837 25 OLD BOND STREET, LONDON W1, 0171-409-2700'.

Handwritten Arabic text: 'مكتبة من الازهر'

BUSINESS EDUCATION

If you are still wondering about new year resolutions, then try volunteer work. It could be good news for both your ego and your career

When giving is profitable

When Mary Margaret VanDeWeghe, managing director and recruiter at US bank J.P. Morgan, looks at candidates from the world's top business schools, she does not limit consideration to academic success. She also scans applicants' backgrounds for volunteer work.

"Volunteer work shows character, important in today's business world where we are concerned about ethics," she explains. "There are other benefits, too. Once they're in the work environment, volunteer work is often a way executives make contacts and build their networks. That's the kind of person we want."

US business schools are getting the message and are putting a new emphasis on volunteer work. They are establishing formal volunteer programmes and reporting a tremendous surge in student interest.

At Columbia Business School, for instance, about one-third of students now volunteer for community work on a regular basis, compared with just 4 per cent five years ago. Nearly half of Boston College's business school students are involved in the volunteer programmes.

Wharton, at the University of Pennsylvania, has gone so far as to make community service a part of the required curriculum for its undergraduate business students, who receive grades based on

their performance. Columbia and Boston College are considering similar moves.

"The stereotype of the business school graduate has always been the me, me, me money-grubber whose only concern is for wealth," says Scott Caganello, assistant dean of student affairs at the Columbia Business School. "These sorts of programmes help to counteract that image."

Business schools say they are also looking more at extra-curricular activities such as volunteer work at the admissions level, so they are dealing with a student body orientated to outside service activities.

Both the students and the business schools see value in volunteer work beyond the altruistic. One advantage is improved business school relations with the neighbourhoods in which they operate.

"We realise that we are part of a community, and the fate of Wharton is linked to the fate of west Philadelphia," says Michael London, who teaches the required volunteer course at the school.

Students may grow from the experience as well. Administrators and professors complain that their charges too often come from sheltered backgrounds that offer little contact with people of different ethnic backgrounds and economic means.

In today's corporate America, the ability to mix with workers of different backgrounds is considered central to success.

WE LIKE RECRUITS WITH A BACKGROUND IN VOLUNTARY WORK GALLAGHER, BUT I'M NOT SURE SIX MONTHS WITH A CENTRAL AMERICAN DEATH SQUAD COUNTS



ROGER BEALE

"The chance to spend time with people outside the business school environment is important," says John Hill, who, as a student, headed up the volunteer programmes at the Amos Tuck School of Business at Dartmouth before being recruited by Boston Consulting. "We worked with prisoners, for instance. That can be an eye-opener for someone used to a more homogeneous environment."

Administrators and recruiters also say the programmes can build leadership and

teamwork skills, and can give students a chance to put into practice the tools they learn in the classroom.

Not everyone believes there will be a pay-off come recruiting time. "I think a lot of the recruiters still pay a lot more attention to grades," says Louis Corsini, dean of the Boston College business school. "But volunteer work is now a valuable part of the business school experience."

Victoria Griffith

For a few dollars less

As a US business school graduate given the choice between a \$100,000 (£63,000) job on Wall Street or a \$300 a month posting in Poland which would you choose?

A surprising number of volunteers are taking the latter course by signing up with the MBA Enterprise Corps, a non-profit-making organisation which sends young business managers to work in eastern Europe for periods of 12 to 18 months.

The deal is a little better than \$300 a month because the graduates also receive travelling expenses plus a flat provided by the host company. That said, this is far from a conventional expatriate package.

Corporate America, therefore, might wonder why some of its brightest young business talent is willing to overlook a US salary for a while longer. The answer, according to Janet Jones-Parker, the programme's corporate relations director, has something to do both with altruism and the belief that the scheme will increase career prospects.

The programme, run from the University of North Carolina, Chapel Hill, is funded mainly by the US government. At present it is only available to US citizens and Green Card holders. The programme members are typically graduates who have worked five years before doing a two-year MBA course. Some have resulting debts of

between \$50,000 and \$70,000 which they can defer until their posting is over.

The assignment starts with a three-month intensive language course before going to the host company. A country manager vets each of the postings to ensure they are offering suitable scope for management development.

More than half the young managers stay overseas when the posting has ended. "One couple I know set up a tee-shirt printing business in their kitchen. It is now one of the biggest textile printers in Poland employing 80 people in 7,000sq ft of factory space," says Jones-Parker.

Some 350 managers have been through the programme to date, many working in the expanding financial sector. George Collins, a law graduate from the University of Virginia, joined MBA Enterprise in 1992 and worked for a year as adviser to the general director of Posovni Banka, formerly the Polish postal bank. After the programme he joined the Prague office of CS First Boston. Today, at 33, he is an equity partner and managing director of Patria Asset Management, a company for Czech institutional and retail clients investing in Czech service industries.

Collins says: "Here I'm a big fish in a small pond. It just keeps getting better".

Richard Donkin

BUSINESS EDUCATION

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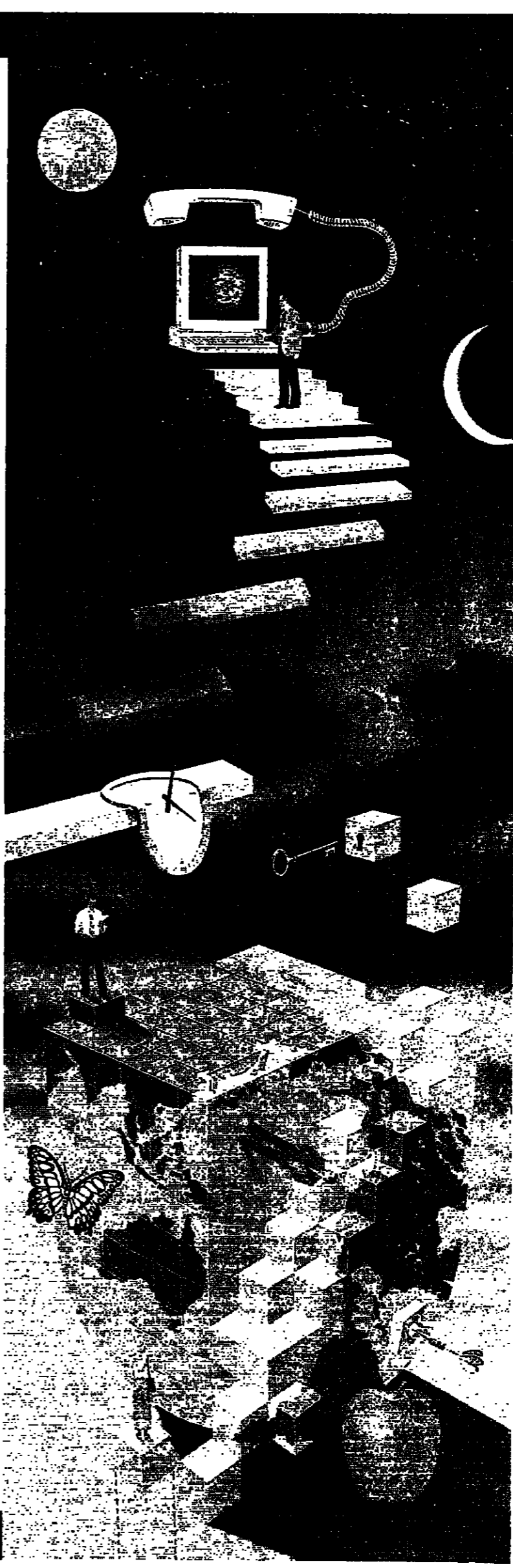
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BUSINESS TRAVEL

French fares fall

Moves to open European airline routes to more competition sparked a price war in France as two companies cut rates on the Paris-to-Nice route.

in a dress rehearsal for deregulation next year

When airlines of one EU state will be able to operate domestic routes in another. Several small airlines pioneered the deregulation campaign last year.

Strike fears

Deutsche BA, the German airline affiliated to British Airways, will seek further talks with public-sector union OeTV to try to head off strike action.

Airport food savaged

Food critic Egon Ronay last week savaged the airport food at Paris Charles de Gaulle airport, but said that caterers at London Heathrow were miles ahead of their continental rivals.

Heathrow still busiest

Heathrow is still the busiest international airport in the world, according to a survey. London's main airport is set to handle about 625,000 passengers on international non-stop flights departing in the week of January 15-21, according to the figures.

Likely weather in the leading business centres

Table with 5 columns: City, Mon, Tue, Wed, Thur, Fri. Rows include Tokyo, Hong Kong, London, Frankfurt, New York, L. Angeles, Milan, Paris, Zurich.

Townhouse hotels with an emphasis on personal attention and a friendly ethos are flourishing, finds Amon Cohen

Good things can come in smaller packages

There is nothing more galling for frequent business travellers than being told by deskbound colleagues that jetting about is a lucky, glamorous existence.

In 1990, there were nine townhouse hotels in London. Today there are 28. They range from well-known names such as Dukes Hotel in St James's to Anoushka Hempel's Blakes and the Sloane Hotel in Chelsea.

Gardens and the Draycot, also in Chelsea, is revamped as Cliveden Townhouse. The 27-bed Leonard opens in Seymour Street this month and three entrepreneurs who have successfully exploited the formula elsewhere in Britain - Ken McCulloch in Glasgow and Edinburgh, Jonathan Wix in Leeds, and Jeremy Mogford of Browns restaurant in Oxford - are also hoping to establish London properties.

She adds: "The rate is also very reasonable compared with Claridge's or the Connaught, and services such as a massage or manicure are readily available." At the Ritz, Giles Shepard is not so sure that business customers always get what they should at townhouses.

Suite dreams



Dukes Hotel

Table with 2 columns: Feature, Value. Rows include Number of rooms (64), Price of double room (£188 per night), Dining facilities (One private dining room), etc.



The Ritz

Table with 2 columns: Feature, Value. Rows include Number of rooms (130), Price of double room (£235-£232 per night), Dining facilities (Three private dining rooms plus Louis XVI restaurant), etc.

at Dukes, who moved into the townhouse sector five years ago, says that 80 per cent of his customers are business travellers.

According to its report, more than 50 per cent of townhouse guests are repeat bookings, responding to the personalised service which is built on low staff and management turnover.

House and Dukes, all in London, takes a turn on the front desk at one of his properties every week. In spite of the best efforts of the townhouses to snipe at the palaces the truth is probably that each is good for the other, especially while London occupancy levels are running at more than 90 per cent.

As Shepard says: "I think we complement each other and offer a good range across the board, so that any-one visiting London can choose exactly what is best for them."

CONFERENCES & EXHIBITIONS

JANUARY 18-19 Euronomy Seminars Preventing Financial Fraud: New Trends in Strategy and Policy Making. This two day seminar will present a revolutionary new method of preventing fraud before it has been committed.

JANUARY 20 The outlook for the UK electricity market. This one day seminar will explore the key issues shaping the electricity market over the next decade.

JANUARY 21 - FEBRUARY 1 CRINE 1996 Conference Learning to Survive. The interactive programme includes workshops and open forum sessions giving delegates a unique opportunity to influence the future direction of the CRINE initiative.

FEBRUARY 20-21 Interactive Multimedia Marketing Planning to incorporate the new media into your marketing strategy? Interested in the implications of interactivity?

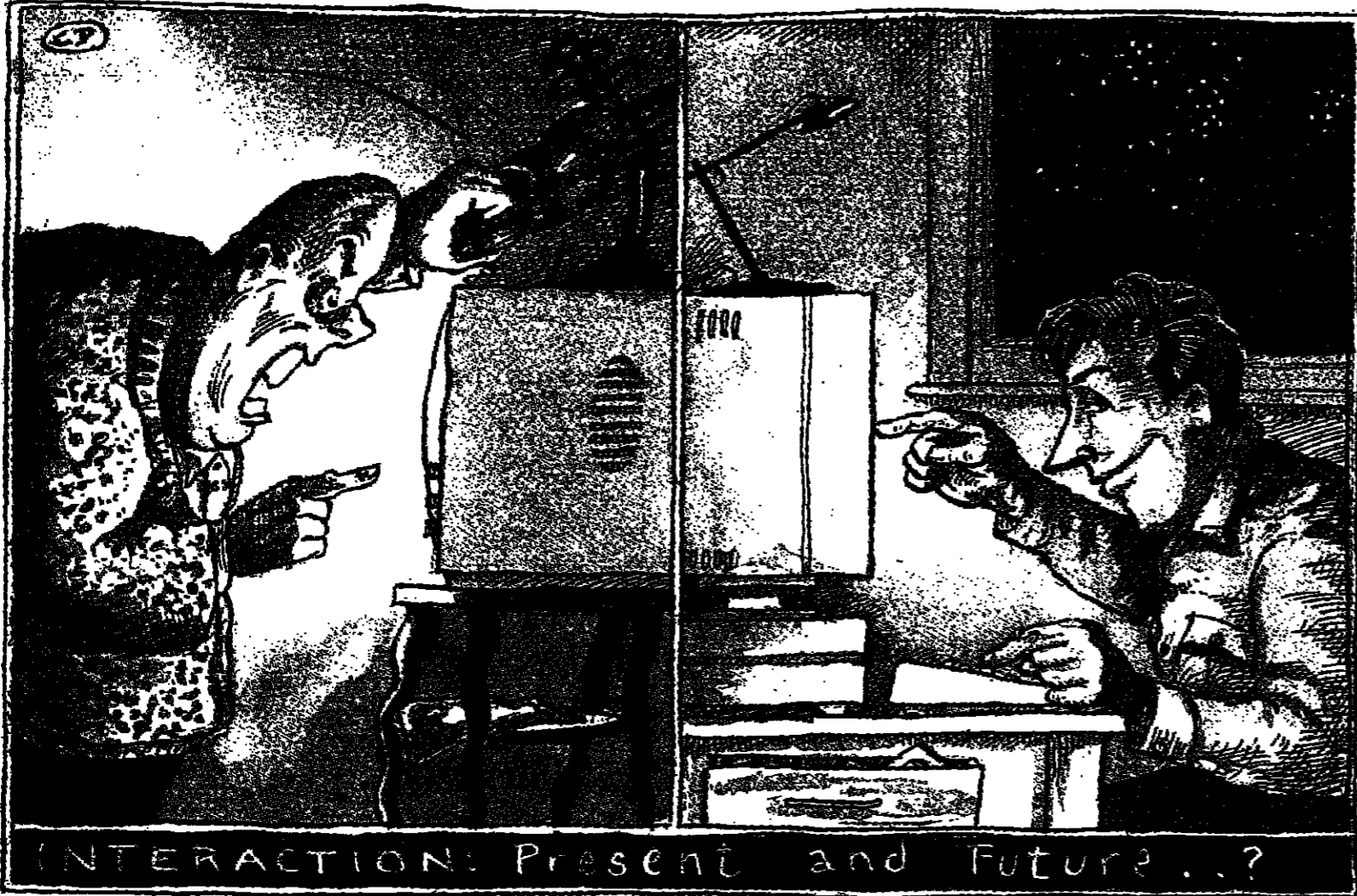
MARCH 1 M&A in the insurance industry. Changes in buyers' behaviour, competitive pressures and the regulatory climate, have produced significant new forces for change within all areas of the insurance industry.

FEBRUARY 4 & 5 FT Commercial Aviation in the Asia-Pacific Region. Themes for this year's conference will include: The potential and problems of new airline developments in Asia; the future of air traffic rights in Asia; the development of national aircraft manufacturing industries in the region; and opportunities in aviation growth markets - China and India.

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MEDIA FUTURES



Ready to adjust your mindset?

Interactive technology will bring radical, but not sudden, change, writes Alan Cane

Which interactive media and applications will find acceptance in the home during the next 10 to 15 years and how will they affect the lives of residents?

Is the television movie in which the viewer can manipulate the ending to his or her own preference the "killer" application capable of kick-starting the interactive revolution? Or will home banking and home shopping prove the bigger draw? Such questions, which hold the key to the prospects of the multimedia revolution, will be examined by a research team from the London Business School under Prof Patrick Barwise during the next three years.

Some indication of the level of interest in the group's conclusions is given by the list of sponsors: it includes the Markle Foundation of New York and a consortium of more than 40 companies including Barclays Bank, Rover Group and United Distillers. The research is expected to cost up to \$300,000 in the first year.

A background study carried out for Prof Barwise's centre for marketing at the school, however, gives a hint of what most people expect of the interactive media revolution. If it is right, companies expecting quick returns from investment in multimedia should revise their business plans.

The study suggests the evolution of interactive media in the home is likely to be slow - that is, over the next 10 to 15 years - but that it will have a dramatic impact on people's lives. Information and entertainment, especially video games, are seen as the principal drivers. Advertising and home shopping and banking will follow and, the study suggests, "may later become the main commercial use of interactive multimedia."

Prof Barwise was not swiftly persuaded of the importance of establishing the research project, dismayed by much of what he describes as the "rhubarb" written and talked about interactive mass media (IMM).

"There is too much data and not enough understanding," he said. "Our aim will be to make sense of interactive media so as to help companies decide their strategic response to the threats and opportunities."

Starting as it means to go on, therefore, the group has adopted its own definition of IMM: "Technologies which provide person-to-machine interactions that simulate an interpersonal communication exchange," a definition wide enough to include both sending messages back to the supplier of an information or shopping service and manipulating a compact disc player.

A question the group will study is the future of advertising on interactive media. It questions whether there will be a swing away from information and entertainment funded by advertising towards media paid for by subscription. "If logging on to the Internet or an online service becomes a daily ritual, rather like reading the morning newspaper, then there is more scope for a larger proportion of promotional spend transferring to there from television or print media."

What sort of advertising could IMM support? The study gives a fictitious example: "Watch this two-minute video on the new Ford Taurus and we'll pay for the pay-per-view movie of your choice."

Net extends the range of grey power



Tim Jackson

ARE old people frightened of computers? Conventional wisdom, brainwashed by the youth culture of Silicon Valley where people become high-tech millionaires at 25, has it that they are. The newly installed chief financial officer of one company here joked to me the other day that he was so old that his company had been forced to install a wheelchair ramp. He declined to give his age, but admitted under pressure to being in his mid-30s.

But there is an alternative view: people who are retired and live on fixed incomes are unlikely to gamble a couple of thousand dollars or pounds on a PC just for fun. Before buying a computer, the older person is more likely to want to see others using computers successfully. When that happens - when the PC has become a familiar mass-market item - older people will start to become computer literate.

That very plausible argument is put forward by Richard Adler, vice-president of SeniorNet, a non-profit organisation in San Francisco that is devoted to bringing the power of computing technology to what is tactfully termed the "older adult".

Adler argues that analysis of the marketing of a range of high-tech products, from the cordless phone to the answering machine, and the VCR to cable, shows the same pattern: the longer a product is around, the more closely its popularity among over-55s resembles its popularity with the rest of the population.

To back up this view, SeniorNet cites a survey, paid for by the microprocessor company Intel but conducted by an independent research company, which suggests that the market penetration of PCs among Americans over 55 rose from 21 per cent in June 1994 to 29 per cent in November 1995.

The moral of the story is clear: oldies are getting wired. That trend is provoking a reorientation at SeniorNet, which for the past 10 years has concentrated on spreading computer literacy among older people. Founded in 1986 in a church basement in the University of San Francisco, the group runs classes at 75 locations across the US.

Courses start from the most basic beginner's guide and progress to word-processing, spreadsheets, communications and beyond. They vary by location, but cost no more than \$30 for eight 90-minute sessions - a fraction of the rate charged by most private companies. Space is provided mostly by community centres and old people's organisations. Equipment is lent or donated by sponsors, and teaching materials come from SeniorNet's head office.

To reduce the fear factor, the students are taught by people of their own age, and the classes are intentionally non-competitive. Yet although there are no grades and no tests, SeniorNet boasts that students routinely stay to ask questions after the lesson, and come into the classroom at other times to use the computers on their own.

Since very few old people feel they need to work on their CVs, students have different reasons for signing up. Some are merely curious to learn about a technology that they have never even seen; one woman, on entering the classroom, asked which machine was the computer. Others have a clearer idea of what they want to use a computer for - whether it is computerising a family tree, keeping the books of a small business, or arranging mailings for their local church.

No matter how widely computers are disseminated, there will always be a role for a provider of low-cost training to the disenfranchised. But the arrival of PCs as consumer goods is allowing SeniorNet to return to an objective that it was forced to abandon in 1986 because computer literacy among retired

A teleshopping-free zone

The future of home order TV in Germany hangs in the balance, says Judy Dempsey

Germany's Home Order Television (HOT) had its way, it would today be broadcasting around the clock on satellite and cable, persuading its audience to buy goods ranging from cars and clothes to holidays and shoes. But it cannot.

Teleshopping in Germany is severely restricted by law. Set up last autumn, HOT, which is jointly owned by Pro-7, the fast-growing independent commercial television network, and Quelle, Germany's largest mail-ordering group, intended to change the Rundfunkstaatsvertrag, or broadcasting law. They also wanted to change audience-viewing habits, encouraging them to spend more time watching television and using the medium as a consumer tool.

The law states that home teleshopping must be limited to one hour a day. That applies to the state-run ARD corporation which is the public service television and radio, ZDF, the second state television channel, and all the private television and radio stations.

The reasoning behind the law had two strands or elements. "First, television is a public service and that is its priority. Second, although it is now being debated, teleshopping is still considered by some of the television regulators as opinion forming and should be limited," a Landesmedien-

stalten lawyer explained. The 15-member Landesmedienanstalten essentially regulates television. Its main function is to ensure that a wide variety of quality programmes reaches German homes. To do this, the Landesmedienanstalten can issue broadcasting licences. It can also issue network access licences, and it is the watchdog for the implementation of the Rundfunkstaatsvertrag.

But as the case of HOT shows, the regulators have found themselves in a quandary about how to define home teleshopping in such a way that the role of public service broadcasting would not be undermined.

HOT first received permission from the Bavarian television authorities - a member of the Landesmedienanstalten - to set up a pilot project to broadcast several hours of teleshopping on two channels in the Munich and Nuremberg regions.

"We were very excited about the challenge," said Alexander Fink, a spokesman for Pro-7. "We were convinced that teleshopping was not broadcasting in the strict sense. It is about distributing products. And since teleshopping is product information as opposed to opinion forming, we argued there should be a channel for such goods."

Germany's giant mail-ordering houses, including Otto Ver-

sand and Quelle, can see the advantages. It would reduce overheads for catalogues and they reckon teleshopping business would increase retail sales by more than DM500m (\$349.2m) within five years.

At the moment, retailers can sell their products only through non-German-based teleshopping channels. If they chose, they could sell their products on the Internet.

"Of course you are not breaking German law if you buy products on the Internet or through the various home shopping services which are offered by banks and other institutions," a media legal expert said.

"What distinguishes home teleshopping which is broadcast on the public television and radio channels from the Internet and banking services is that the former is public and general, and the latter concern only the individual," she explained. That accounts for the divisions of opinion among the state regulators about HOT.

No sooner had the pilot project been set up last October than HOT sought permission from the Landesmedienanstalten to broadcast via satellite, cable, on digital or analogue and across Germany. Then the trouble started. At a meeting in November, HOT failed to win the support of the state regulators. The regulators did

not even support Bavaria's initial permission to grant the pilot project to HOT.

"The problem is that the legal framework about home teleshopping is not clear," said Thomas Kreyes, of RTL, Germany's leading commercial television network. RTL has already campaigned in the courts to stop HOT from broadcasting, fearing an advertising challenge.

After recent hearings before the Bavarian administrative court - courts which deal with public administration including the granting of licences - and Bavaria's constitutional court, the future of HOT remains uncertain.

The Landesmedienanstalten are reluctant to grant HOT a licence to broadcast, or ban it completely, because the law is unclear.

The courts are waiting for the regulators, still locked in discussions, to draw up a new Rundfunkstaatsvertrag which will set out new limits for home teleshopping. And the regulators themselves are waiting for the European Union to set out broadcasting guidelines as well.

"I think it is a matter of time before teleshopping will be allowed in Germany," said Fink. Then the task will be to persuade the television-shy German to spend more money looking at television, and to start shopping from home.

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Cyber sightings

- Sotheby's auctioneers (www.sothebys.com) is a nice site with lots of good information including details of high-profile featured sales, such as the estate of the late Jacqueline Kennedy Onassis.
- It also has notes for the beginning investor and a worldwide auction calendar.
- If you have not yet encountered the "Market Mavens", their investment analysis is available through Pinson & Associates' Financial Center site (www.ft.com), a useful and interesting review of activity on Wall Street.
- It is also easy to use, with regularly updated quotes and charts.

- Stan & Dan: The Stock Guys! provide a daily fax service for short to intermediate term stock traders. At their basic web site (www.dans.com/invest/afax) US residents can sign up for a free one-week trial.
- Volunteers for Peace is a Vermont-based organisation, related to Unesco, that organises volunteer work camps in 60 countries worldwide. For details of programmes, check their site at www.vermont.com/vfp/home.htm
- To Fly is Everything... (<http://lhwatf.cogsci.utac.edu/intent/airplanes.htm>) is a fascinating virtual museum describing the invention and use of flying machines. It also offers good narrative and more than 300 still photographs from the Library of Congress collection.
- CyberJoe's Internet Café (www.cyberjoe.co.za) in Port Elizabeth, South Africa, is a

- nice site (although the graphics are a tad garish) with some interesting links to other spots in South Africa, including a useful indexed search facility through Marquis Systems. Definitely an area that is worth watching.
- Deutsches Spendeninstitut Krefeld (www.dsk.de) is the site of the German Charities Institute - a tremendously comprehensive site covering every aspect of volunteer work and philanthropic organisations in Germany.
- There is a dual-language intro, but it is in German when you're searching.
- Quotemath Corporation (www.termquotes.com) gives details of the rates of 160 US life assurance companies. It offers a personalised price comparison service, for US residents only, but it is worth a browse if you're in the insurance sector.
- Crummer Graduate School

(www.crummer.rollins.edu) is the business school of Florida-based Rollins College. A nice, useful site, with details of the curriculum, technology services and information about the local community for prospective MBA students.

● High Technology Careers magazine (www.hightechcareers.com) allows users to search a database of 9,000 career opportunities by keyword, post your CV to employers online, or even create your own CV homepage for employers to browse - or indeed, to ignore - at their leisure.

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The master builder

Andrew Clark talks to John Conklin, America's leading opera designer

Imagine a roomy apartment on New York's Upper West side. At one end you have a panoramic view of the Hudson River. At the other, the prospect is even more absorbing. Strewed around the breakfast table are stage models, design artefacts and sketches. John Conklin's home is inseparable from his workspace.

Conklin, 58, is the leading opera designer in the US. This month he has two shows opening on either side of the Atlantic - both adaptations of recent successes at Glimmerglass, the thriving festival in upstate New York where he has just been appointed director of productions.

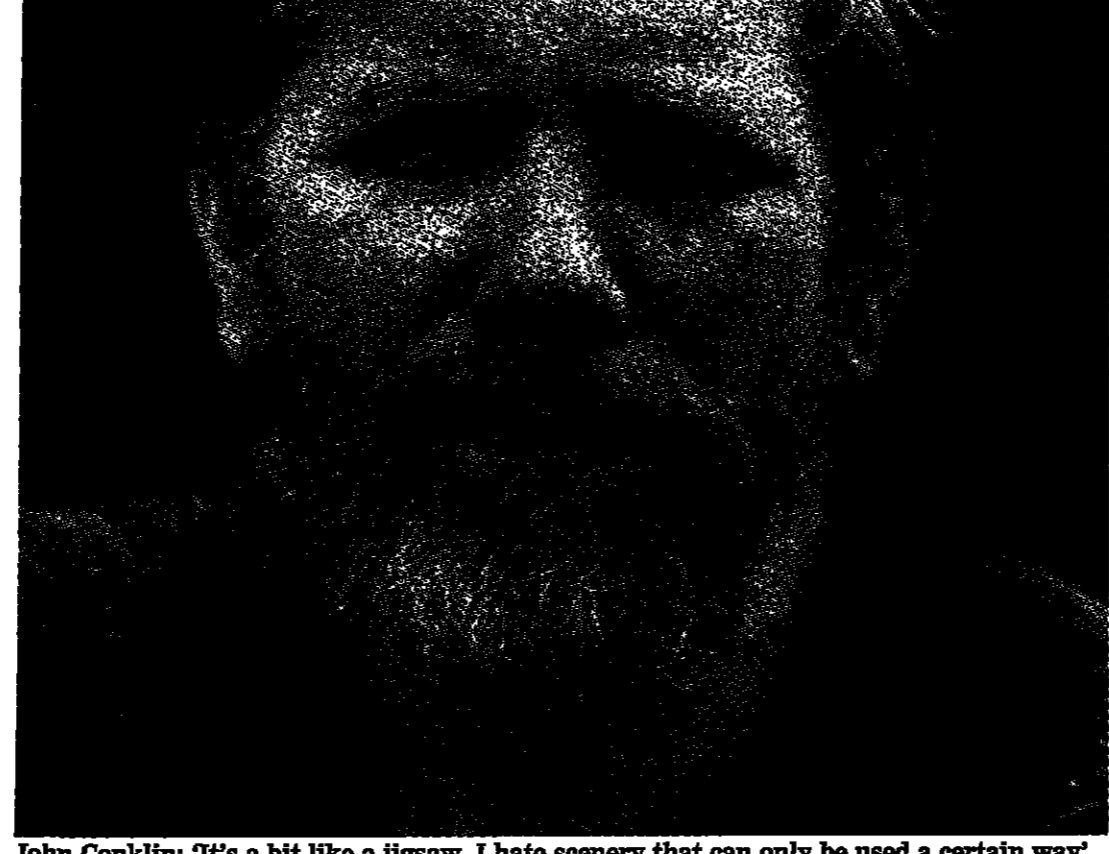
The lead-time for opera is such that Conklin's mind is already on other tasks. His immediate preoccupation is *Götterdämmerung*, opening at Chicago's Lyric Opera on March 9. Then he must get to grips with Cavalli's *Calisto* and Jack Beeson's *Lucie Borden* for Glimmerglass in the summer.

Most US companies have a Conklin production in their repertory. His collage-like, post-modern style has proved less popular in Europe; he has designed only one production in the UK - ENO's *Two* last season, for which his Roman abstractions made a striking backdrop. Conklin's work may not match the visionary quality of some leading designers, but he is hard to beat for solid professionalism.

He is also extremely prolific. Some critics have accused him of cranking out too much, because of what they see as a "family resemblance" in his designs. Conklin pleads guilty. Hauling out a drawer of cast-offs from old stage models, he spreads them over the table and starts to identify each one: a piece of panelling for the Met's *Tristan*, an arch for Chicago's *Tristan*, a columned facade for a *Faust* that never got done.

"The way I work is controversial," he confides. "I have a repertory company of model pieces which I tend to recycle. A lot of people think that's cheating - it seems a bit derivative, like I'm cannibalising myself. They could be right, but I'm not sure everyone doesn't work that way."

Conklin says that even when a set is finished, he likes to play with each element to see what it can do. "I'm a great fan of the accident - the back of the piece instead of the front, the wrong piece of scenery flourishing where you never expected. It's a bit like a jigsaw. You use them, interchange them, eliminate them. I hate scenery that can only be used a certain way."



John Conklin: 'It's a bit like a jigsaw. I hate scenery that can only be used a certain way'

Conklin has reached the stage where he can afford to be choosy. He prefers directors who allow him a "dramaturgical partnership". Mark Lamos, Rhoda Levine, Jonathan Miller and Francesca Zambello top his list. "I like working with people who don't come with fixed ideas of what they want, who use the design process as a way of working out ideas. That gives me a chance to share in the total event, instead of giving visual form to ideas the director has already formulated. Theatre is an organic process. It must be allowed to go off in directions that are not planned. There's nothing more boring than sitting down, planning an idea and executing it."

Although he has no desire to direct opera, his new role at Glimmerglass gives him a major voice in planning and production. He sees a future in operatic adaptations on the lines of Peter Brook's *Tragedie de Carmen*, because "it's a more honest way of dealing with a director's concept. We all want to counteract the feeling of 'museum opera', but if directors are unable to shape the whole of *Lucia* coherently, they should say 'this is our meditation on *Lucia*'. That would be better than doing something incomprehensible and telling the audience they're stupid. The audience is sometimes right to say it's wilful nonsense."

- include C. Schreiber, K. Bellinghausen and J. Kommüller; 8pm; Jan 12
- BOSTON** CONCERT New England Conservatory - Jordan Hall Tel: 1-617-262-1120 ● Stephen Drury; the pianist performs works by R. Schumann, Debussy, Hyla, Cage and De Falla; 8pm; Jan 11
- CHICAGO** EXHIBITION Terra Museum of American Art Tel: 1-312-684-3939 ● Across Continents and Cultures: The Art and Life of Henry Ossawa Tanner; this exhibition of approximately 65 works presents an overview of the artist's life and work. The display includes seascapes and images of animals and African-American life; from Jan 13 to Apr 28
- COLOGNE** THEATRE Schauspielhaus & West-end-Theater Tel: 49-221-2218400 ● *Zaide*; by Mozart. Conducted by Christoph Hagel, performed by the Staatsoper unter den Linden. Soloists include Laura Aikin, Roman Trekel and Pär Lindskog; 8pm; Jan 10, 12, 14 (4pm), 15
- BONN** MUSICAL Oper der Stadt Bonn Tel: 49-228-7281 ● *Anatevka* (Fiddler on the Roof); by Bock. Conducted by Hansgeorg Koch and performed by the Oper der Stadt Bonn (in German). Soloists
- Susanne Barth and Markus Gerken; 7.30pm; Jan 13, 15, 18
- DRESDEN** DANCE Sächsische Staatsoper Dresden Tel: 49-351-49110 ● Rot und Schwarz; a choreography by Uwe Scholz to music by Berlioz, performed by the Ballett Dresden; 7pm; Jan 10
- DUBLIN** CONCERT National Concert Hall - Geoláras Máelkirta Tel: 353-1-6711533 ● National Symphony Orchestra; with conductor Kasper de Roo, flutist William Dowdall, oboist Matthew Manning, oboist Michael Jones and horn-player Lesley Bishop perform works by Ketting, Mozart and Shostakovich; 8pm; Jan 12
- GLASGOW** CONCERT Glasgow Royal Concert Hall Tel: 49-141-3326633 ● Royal Scottish National Orchestra; with conductor Walter Weller and mezzo-soprano Irina Tolstjakov perform works by Debussy, Mahler and Prokofiev; 7.30pm; Jan 11
- HAMBURG** CONCERT Musikhalle Hamburg Tel: 49-40-348920 ● Cyprien Katsaris; the pianist performs works by J.S. Bach, Gimaraes, Chopin, Liszt and
- Fauré; 7.30pm; Jan 10
- OPERA & OPERETTA** Hamburgische Staatsoper Tel: 49-40-351721 ● *Il Barbiere di Siviglia*; by Rossini. Conducted by Ivan Törzs, performed by the Hamburg Oper. Soloists include Richard Croft, Reinhard Dorn and Hellen Kwon; 7.30pm; Jan 12
- HELSINKI** OPERA & OPERETTA Opera House Tel: 358-0-403021 ● *Carmen*; by Bizet. Conducted by David Stern and performed by the Finnish National Opera. Soloists include Petar Lindroos, Ning Liang and Ralfi Viljakainen; 7pm; Jan 10, 12, 14 (2pm)
- LEIPZIG** CONCERT Thomaskirche Tel: 49-341-12700 ● Weihnachtsoratorium (Part 4 - 6); by J.S. Bach. Performed by the Gewandhausorchester and the Gewandhauschor with conductor Georg Christoph Biller. Soloists include soprano V. Hrubá-Frelberger and alto R. Lang; 7.30pm; Jan 10
- OPERA & OPERETTA** Oper Leipzig Tel: 49-341-1261261 ● *Die Zauberflöte*; by Mozart. Conducted by Jiri Kout and performed by the Oper Leipzig and the Gewandhausorchester. Soloists include Gertrud Hoffstedt, Clary Bartha and Sangho Choi; 7.30pm; Jan 12
- LONDON** CONCERT Wigmore Hall Tel: 44-171-9352141 ● Lindsay Quartet; perform string

- quartets by Beethoven; 7.30pm; Jan 10, 12
- THEATRE** Olivier Theatre Tel: 44-171-9282252 ● *Mother Courage and her Children*; by Brecht. In a new version by Hans. Directed by Jonathan Kent and performed by the Royal National Theatre. The cast includes Diana Rigg, Edward Clayton and John Bluthal; 7.15pm; Jan 12, 13 (also 2pm)
- MADRID** CONCERT Fundación Juan March Tel: 34-1-4354240 ● Coro Santo Tomas de Aquino; with conductor Mariano Alfonso and organ-player Javier Radá perform works by Bruckner; 7.30pm; Jan 10
- MILAN** THEATRE Teatro Carcano Tel: 39-2-55181377 ● *Twelfth Night*; by Shakespeare. Directed by Ennio Coltorti and performed by Kees (in Italian). The cast includes Renzo Montagnani and Pino Colizzi; Tue - Sat 8pm, Sun 3.30pm; from Jan 9 to Jan 21 (not Mon)
- NEW YORK** CONCERT Alice Tully Hall Tel: 1-212-875-5050 ● Great performers at Lincoln Center; pianist Emanuel Ax performs works by Schubert, Copland, Brahms and Chopin; 2pm; Jan 14
- OPERA & OPERETTA** Metropolitan Opera House Tel: 1-212-362-5000 ● *Turandot*; by Puccini. Conducted

Obituary
Lincoln Kirstein

Lincoln Kirstein, joint founder of New York City Ballet; poet, patron of the arts, polemicist, collector, critic, philanthropist died in New York last Friday at the age of 87. He had many interests in the arts, as he had many interests in the arts to which he gave passionate and practical service. But it was his collaboration with George Balanchine in establishing classical ballet as an American art that must take a pre-eminent place in considering his achievements, and this must be seen as the crown of his life's work.

Kirstein was a man of Protean gifts and immense intellectual and organisational energy. He was one of those rare talents who touch the entire artistic life of their time. Ballet, film, literature, theatre, music, painting and sculpture all occupied his attentions. A *First Bibliography*, published to celebrate his 70th year, cited material under all those headings, and added to that tally writings on architecture, photography, history, politics, as well as fiction and poetry, and - in an attempt to catch the quicksilver of 478 entries - "other subjects".

These many and seemingly disparate concerns were united by a guiding intelligence which was both uncompromising and uncompromisingly generous, and served as the artistic conscience of an era. This was the essentially American quality of his work: that desire to ameliorate and inspire a society to the goal of a more humane and imaginatively rich world. Kirstein was a man whose greatness was matched by his generosity, and by the grand extent of his work as intermediary between the arts and a vast public who benefited from his genius.

Lincoln Kirstein was born on May 4 1907, the second of three children of Louis Edward and Rose Kirstein. (His sister was the distinguished writer, Mina Curtis). At Harvard Kirstein started the influential magazine *Bound and Horn*, in whose pages such writers as T.S. Eliot, Ezra Pound, James Agee, Edmund Wilson and e.e.cummings were published.

In 1928, with two Harvard classmates, Kirstein founded a Society for Contemporary Art, which was a precursor of New York's Museum of Modern Art. And in the summer of 1929, while in Venice, Kirstein was to witness Diaghilev's funeral procession. This must be seen as a portent for the future.

Kirstein was drawn to ballet, and in 1932-3 he met and worked with Mikhail Fokine, and then became involved with Nijinsky's wife, Romola, in the preparation and writing of her biography of her husband. (Matters were not made easier by Mrs Nijinsky's belief that a medium could illuminate the darker passages of her still-living husband's life. The discoveries made by Little Bluebell, a spirit guide, were not, little help from a director and designer. The rest is a cover-up.")

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- EUROPEAN CABLE AND SATELLITE BUSINESS TV** (Central European Time) MONDAY TO FRIDAY NBC/Super Channel: 07.00 FT Business Morning 10.00 European Money Wheel Nonstop live coverage until 14.00 of European business and the financial markets 17.30 Financial Times Business Tonight Midnight Financial Times Business Tonight
- PARIS** CONCERT Salle Pleyel Tel: 33-1 45 61 53 00 ● Ein deutsches Requiem; by Brahms. Performed by the Orchestre Colonne and the Victoria d'Ile-de-France Choir with conductor Michel Pignatelli; 8pm; Jan 12
- THEATRE** Théâtre des Champs-Élysées Tel: 33-1 49 52 50 50 ● Orchestre National de Lille; with conductor Jean-Claude Casadesus and bass Simon Estes perform works by Wagner; 8.30pm; Jan 11
- STOCKHOLM** DANCE Kungliga Teatern - Royal Swedish Opera House Tel: 46-8-7914300 ● *The Nutcracker*; a choreography by Pär Isberg to music by Tchaikovsky, performed by the ballet of the Royal Swedish Opera House. Soloists include Jens Rosén, Ann Brattsilvius (Jan 10) and Nathalie Perriraz (Jan 13); 7.30pm; Jan 10, 13 (9pm)
- VIENNA** CONCERT Konzerthaus Tel: 43-1-7121211 ● Finnish Radio Symphony Orchestra; with conductor Jukka-Pekka Saraste and pianist Alexander Toradz perform works by Sibelius, Prokofiev, Dutilleul and Ravel; 7.30pm; Jan 12

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FINANCIAL TIMES

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Banks poised to block reforms plan at London Stock Exchange

By John Capper, Banking Editor, in London

The London Stock Exchange faces further controversy over proposals to reform the way in which shares are traded following the abrupt dismissal last week of Mr Michael Lawrence, the exchange's chief executive.

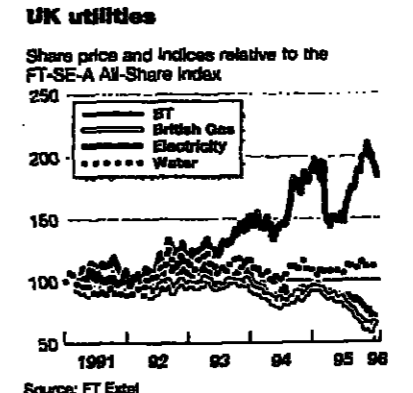
trading system for the top 350 shares. However, leading investment banks that currently act as marketmakers on the exchange by offering to buy and sell shares are likely to insist on a single method of share trading, rather than brokers having a choice.

reference by Mr Lawrence at a board meeting on November 30 to adding "bells and whistles" to the current marketmaking system. They felt he was understating the impact of a hybrid trading system.

Marketmakers fear that profitable business would move to the order-driven alternative while they would still have to commit capital to a marketmaking system which would be largely used for the less profitable trading, reducing their returns.

THE LEX COLUMN

Plus ça change?



True, if there is agreement, it will remove current uncertainty, so a knee-jerk rise in bond and equity markets is to be expected. But with Treasury bond yields already around the 6 per cent mark, there is only limited scope for further improvement.

In the short term, there are still considerable risks. Any signs of an upturn in inflationary pressure would shatter current expectations of rate cuts, undermining both bonds and equities.

UK regulation

According to their critics, privatised utilities are a gold-mine for investors. The reality is rather different. Although the water and electricity sectors have handsomely outperformed the market since privatisation, British Telecom and British Gas have both underperformed by nearly 30 per cent.

US budget debate

The sight of thousands of returning US government workers following President Bill Clinton's latest concessions in the disruptive budget debate should do something to boost investor confidence. Both the Democrats and Republicans are now committed to fiscal restraint in the form of a balanced budget by 2002.

Hashimoto

Continued from Page 1

judging by calls over the weekend for a snap general election by all Japan's leading newspapers. But despite the public criticism, Mr Hashimoto started to draw up a new cabinet on the weekend, in which 13 of 20 posts, including finance and agriculture, would be from his party.

Yeltsin's list

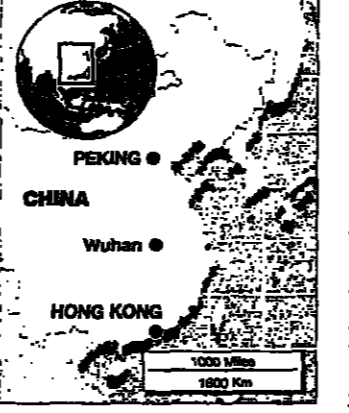
Continued from Page 1

Yeltsin to appoint a close confidant who would unquestioningly implement his views. Some commentators have tipped Mr Dmitry Ryurikov, the president's chief foreign policy adviser. He is believed to have been a critic of Mr Kozыrev and has argued for a more assertive foreign policy.

High hopes for low-rise Chinese city of the future

Wuhan development offers solution to housing crisis

By Simon Holberton in Hong Kong



Taking shape in the northern suburbs of Wuhan, an industrial city on the Yangtze River, is an experiment in public housing which is proving to be one of the solutions to China's chronic inner-city housing problems.

It is particularly active in Wuhan, where it has a hotel and a department store along with near 50 per cent interests in the city's airport, the toll road from the airport to town, and a toll bridge over the Yangtze.

Zhang Ke Xiao, director of the Wuhan municipal urban and rural construction committee. New World Development made its name as a property developer in Hong Kong, but during the 1980s expanded on the mainland into roads, bridges, power stations and low cost housing.

FT WEATHER GUIDE Europe today A front bringing cloud and patches of freezing rain will move slowly over Poland and the northern Balkans. Five-day forecast Some mild air will continue to spread into western Europe. TODAY'S TEMPERATURES

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